

RECORDATION NO. 12250

12250

SEP 30 1980.2 40 PM

RECORDATION NO. 12250

INTERSTATE COMMERCE COMMISSION

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ONE CHASE MANHATTAN PLAZA
NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX
RCA 233663
WUD 125547
WUI 620955

RECORDATION NO. 12250

SEP 30 1980.2 40 PM

INTERSTATE COMMERCE COMMISSION

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No. 277,145

Date SEP 30 1980

Fee \$ 100.00

ICC Washington, D. C.

September 30, 1980

Seaboard Allied Milling Corporation
Lease Financing Dated as of September 1, 1980
10-1/4 Conditional Sale Indebtedness Due 1995

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Seaboard Allied Milling Corporation for filing and recordation counterparts of the following documents:

Row number

- A

(1) (a) Conditional Sale Agreement dated as of September 1, 1980, among Exchange National Bank of Chicago, as Trustee, Pullman Incorporated (Pullman Standard Division), and North American Car Corporation; and

- B

(b) Agreement and Assignment dated as of September 1, 1980, among La Salle National Bank, Pullman Incorporated (Pullman Standard Division), and North American Car Corporation.

- C

(2) (a) Lease of Railroad Equipment dated as of September 1, 1980, between Seaboard Allied Milling Corporation and Exchange National Bank of Chicago, as Trustee; and

(b) Assignment of Lease and Agreement dated as of

Seaboard Allied Milling Corporation
A. F. King

September 1, 1980, between Exchange National Bank of Chicago, as Trustee, and La Salle National Bank, as Agent.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Agent:

La Salle National Bank,
135 South La Salle Street,
Chicago, Illinois 60690.

(2) Trustee:

Exchange National Bank of Chicago,
130 South La Salle Street,
Chicago, Illinois 60690.

(3) Builder:

Pullman Incorporated,
(Pullman Standard Division),
200 South Michigan Avenue,
Chicago, Illinois 60604.

(4) Vendor:

North American Car Corporation,
222 South Riverside Plaza,
Chicago, Illinois 60606.

(5) Lessee:

Seaboard Allied Milling Corporation,
P. O. Box 19148,
Kansas City, Missouri 64141.

Please file and record the documents referred to in this letter and index them under the names of the Agent, the Trustee, the Builder, the Vendor and the Lessee.

The equipment covered by the aforementioned documents consists of the following:

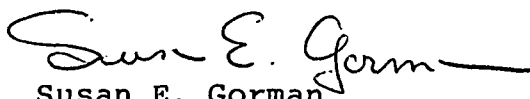
150 100-ton, 4,280 cubic foot 3 hopper, gravity

load/unload covered hopper grain cars, AAR Mechanical Designation LO, bearing identifying numbers of the Lessee SAMX 3100-3249, both inclusive;

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,


Susan E. Gorman
As Agent for
Seaboard Allied Milling
Corporation

Agatha L. Mergenovich, Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

Interstate Commerce Commission
Washington, D.C. 20423

9/30/80

OFFICE OF THE SECRETARY

Susan E. Gorman
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Ms. Gorman:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/30/80 at 2:40pm, and assigned re-recording number(s).

12250, 12250-A, 12250-B, 12250-C

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

12250

RECORDATION NO. Filed 1425

SEP 30 1980 -2 40 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 4876-012]

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1980

Among

PULLMAN INCORPORATED (Pullman Standard Division),

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement dated
as of the date hereof with
The First National Bank of Kansas City

10.25% Conditional Sale Indebtedness Due 1995

[Covering 150 Covered Hopper Cars]

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of September 1, 1980, among PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation ("Builder"), NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NAC" or "Vendor" as the context may require, as set forth in Article 1 hereof), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Builder has agreed to construct, sell and deliver to NAC, and NAC has agreed to purchase from the Builder and conditionally sell to the Trustee, subject to the terms and conditions hereof, the railroad equipment described in Annex B hereto ("Equipment").

The Trustee is entering into a Lease of Railroad Equipment with SEABOARD ALLIED MILLING CORPORATION ("Lessee"), substantially in the form of Annex C hereto ("Lease").

LA SALLE NATIONAL BANK ("Agent") is acting as agent for certain investors (together with any assignees, "Investors") pursuant to a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1. ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Trustee's Purchase Price; Assignment. The parties hereto contemplate that the Trustee will furnish 31.00% of the Trustee's Purchase Price (as defined in Section 4.1 hereof) of the Equipment and that an amount equal to the balance of such Trustee's Purchase Price shall be paid to NAC by the Agent pursuant to an Agreement and Assignment dated as of the date hereof ("CSA Assignment") among the Builder, NAC and the Agent. NAC shall pay or have paid to the Builder NAC's Purchase Price

(as defined in Section 4.1 hereof) pursuant to the terms of Article 4 hereof.

1.2 Lease Assignment. As security for the payment and performance of all the Trustee's obligations hereunder, the Trustee will assign to the Agent certain of its right, title and interest of the Trustee in and to the Lease pursuant to an Assignment of Lease and Agreement substantially in the form of Annex D hereto ("Lease Assignment"), and the Lessee shall acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

1.3. Meaning of "Builder" and "Vendor". The term "Builder", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the units of Equipment to be constructed and sold hereunder and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means NAC before any assignment of its rights and, after any such assignment, both any assignee as regards any assigned rights and also any assignor as regards any rights retained by such assignor.

1.4. Purchase Order. All contractual arrangements between the Builder and NAC insofar as they relate to the Equipment ("Purchase Order") shall be superseded by this Agreement, and the obligations of the Trustee to purchase and pay for the units of Equipment shall be exclusively and completely governed by and subject to the conditions provided herein and in the Participation Agreement.

ARTICLE 2. CONSTRUCTION AND SALE

Pursuant to this Agreement, the Builder will construct the Equipment at its plant described in Annex B hereto and will sell and deliver the Equipment to NAC. NAC will (as hereinafter provided) purchase from the Builder and accept delivery of and immediately thereafter conditionally sell and deliver the Equipment to the Trustee. Each unit of Equipment shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, NAC, the Trustee, the Owner

and the Lessee (such specifications and any modifications called "Specifications"). The Builder represents and warrants to the Owner, Agent and NAC that (i) the design, quality and component parts of each unit of Equipment to be delivered by the Builder under this Agreement shall conform, on the date of delivery and acceptance thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, (ii) none of such component parts will be used components and (iii) such units will qualify as "new Section 38 property" and as property the "original use" of which will commence with the Lessee, within the meaning of Sections 48(b) and 167(c)(2) of the Internal Revenue Code of 1954, Treas. Reg. § 1.48-4(a) and (b) and Treas. Reg. § 1.167(c)-1(a)(2).

ARTICLE 3. INSPECTION AND DELIVERY

3.1. Place of Delivery. The Builder will deliver the units of Equipment to NAC and NAC will thereafter deliver such units to the Trustee at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to time by the Trustee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that the Builder and NAC shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Section 16.1 hereof or subsequent to the occurrence of any event of default as described in Section 16.1 hereof, so long as it shall be continuing, or of any event which with notice or lapse of time or both would constitute such an event of default. The Builder and NAC agree not to deliver any unit of Equipment hereunder (a) following receipt of written notice from the Trustee or the Agent of the commencement of any such proceedings or the occurrence of any such event, as aforesaid, or (b) until it receives notice from the Agent and the Trustee that the respective conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met.

3.2. Force Majeure. The respective obligations of the Builder and NAC as to time of delivery are subject to delays resulting from causes beyond the Builder's or NAC's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, differences with workmen, accidents, fires, floods, explosions, damage to plant, equipment or facilities or delays of carriers or subcontractors. NAC's obligation hereunder to deliver the Equipment to the Trustee is subject to the delivery of such Equipment by the Builder to NAC.

3.3. Exclusion of Equipment. Any unit of Equipment not delivered to the Trustee pursuant to Section 3.1 hereof and any unit of Equipment not delivered and accepted by the Trustee hereunder on or before October 31, 1980, shall be excluded from this Agreement, and NAC and the Trustee shall be relieved of their respective obligations hereunder to purchase and pay for such Equipment. If any unit of Equipment shall be so excluded, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the units of Equipment not so excluded herefrom. In the event of any such exclusion of any unit of Equipment herefrom pursuant to the foregoing provisions or pursuant to Section 4.1 hereof, or in the event the Trustee is relieved of its obligations hereunder to accept or pay for any or all units of Equipment in accordance with the terms and conditions hereof for any reason whatsoever, NAC will be obligated to accept all such units delivered by the Builder and to pay the full purchase price therefor when due, all in accordance with the terms of the Purchase Order, and the Trustee will transfer and assign to NAC all the right, title and interest of the Trustee in and to the units so excluded.

3.4. Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of NAC and the Trustee (who may be employees of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Prior to delivery

to NAC by the Builder and to the Trustee by NAC, each unit of Equipment shall be presented to an authorized inspector of NAC and the Trustee for inspection at the place specified for delivery of such unit, and if such unit conforms to the Specifications, requirements and standards applicable thereto, such authorized inspector shall execute and deliver to the Builder a certificate of acceptance ("Certificate of Acceptance") stating that such unit has been inspected and accepted on behalf of NAC and the Trustee and is marked in accordance with Article 10 hereof; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof. By § 2 of the Lease and by this Section 3.4, the Trustee and NAC are each appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) pursuant to § 2 of the Lease shall be deemed to be acceptance of such unit hereunder by the Trustee and NAC.

3.5. Builder's and NAC's Responsibilities After Delivery. Upon delivery to and acceptance by the Trustee of units of Equipment at the place specified for delivery, the Builder and NAC shall have no further responsibility for nor bear any risk of any damage to or the destruction or loss of any such unit; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof.

ARTICLE 4. PURCHASE PRICE AND PAYMENT

4.1. Meaning of "Trustee's Purchase Price" and "NAC's Purchase Price"; Exclusion of Units. The base price or prices per unit of Equipment to be paid by the Trustee to NAC are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as may be agreed to by NAC, the Trustee and the Lessee. The term "Trustee's Purchase Price" as used herein shall mean the base price or prices per unit as set forth in the invoice or invoices of NAC ("NAC's Invoices") delivered to the Trustee. The base price or prices per unit of the Equipment to be paid by NAC to the Builder as set forth in the Purchase Order are subject to such increase or decrease as provided in the Purchase Order or as otherwise may be agreed to by the Builder and NAC. The term "NAC's Purchase Price" as used herein shall mean the base price or prices per unit as so increased or decreased as set forth in the

Builder's invoice or invoices ("Builder's Invoices") delivered to NAC and, if NAC's Purchase Price is other than the base price or prices set forth in the Purchase Order, the Builder's invoice or invoices shall be accompanied by or have endorsed thereon the agreement or approval of NAC.

4.2. Settlement and Closing Dates. The Equipment shall be settled for in such number of groups of units of Equipment delivered to and accepted by NAC and the Trustee, respectively, as is provided in Item 2 of Annex A hereto. The term "Closing Date" with respect to any group of units shall be such date as is specified by the Lessee in accordance with Item 2 of Annex A hereto by four days' written notice thereof with the concurrence of the Trustee, the Agent, the Builder and NAC, but in no event shall such Date be later than October 31, 1980. Such notice shall specify the aggregate Trustee's Purchase Price of the Equipment to be settled for and a copy thereof shall be sent by the Lessee to NAC, the Builder, the Agent and the Trustee. The place of each closing shall be determined by mutual agreement among the parties hereto. At least three business days prior to any Closing Date, the Builder shall present the Builder's Invoice to NAC and NAC shall present NAC's Invoice to the Trustee and the Lessee for the Equipment to be settled for. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

4.3. Indebtedness of Trustee to Vendor. Subject to the terms of this Agreement and the satisfaction of the conditions set forth in the Participation Agreement, the Trustee hereby acknowledges itself to be indebted to the Vendor in the amount of the aggregate Trustee's Purchase Price of the Equipment to be settled for and hereby promises to pay the same in cash or immediately available funds to the Vendor at such place as the Vendor may designate, as follows:

(a) on the Closing Date an amount equal to 31.00% of the aggregate Trustee's Purchase Price of the Equipment for which settlement is being made; and

(b) in 180 monthly installments, in arrears, as hereinafter provided, an amount equal to the aggregate Trustee's Purchase Price of the Equipment for which

settlement is being made less the aggregate amount paid or payable with respect thereto pursuant to subsection (a) of this Section (said portion of the aggregate Trustee's Purchase Price payable in installments called "CSA Indebtedness").

The obligation of the Trustee to pay to the Vendor the amount required to be paid pursuant to subparagraph (a) of this Section 4.3 with respect to any Group shall be subject to the receipt by the Trustee of copies of the documents required to be furnished by the Builder or NAC pursuant to paragraphs (a), (b), (c) and (d) of Section 4 of the CSA Assignment in respect of such Group.

4.4. Indebtedness of NAC to the Builder. NAC hereby acknowledges itself to be indebted or to have been indebted to the Builder in the amount of the aggregate NAC's Purchase Price of the Equipment to be settled for, and hereby promises to pay the same in full in cash to the Builder, on or prior to the Closing Date with respect to such Equipment, at such place in the United States, as the Builder may designate.

4.5. CSA Indebtedness; Payment Dates; Interest.
 (a) The installments of the CSA Indebtedness shall be payable monthly on the first day of each month, commencing on the first day of the month next succeeding the Interim Payment Date (as defined below) (each such date a "Payment Date"). The unpaid balance of the CSA Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of 10.25% per annum. Interest on the unpaid balance of the CSA Indebtedness shall be payable to the extent accrued on the first day of the month next succeeding the last Closing Date hereunder (the "Interim Payment Date"), and on each Payment Date thereafter. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto (subject to the provisions of Article 7 hereof) and the aggregate of such installments of principal and interest shall completely amortize the CSA Indebtedness at maturity. The Trustee will furnish to the Vendor and the Lessee a schedule showing the respective amounts of principal and interest payable on each Payment Date promptly after the last Closing Date, in such number of counterparts as shall be requested by the Vendor.

(b) If any of the dates for payment of principal

or interest is not a business day, such payment shall be payable on the succeeding business day.

4.6. Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on the Interim Payment Date shall be computed on an actual elapsed day, 365-day year, basis.

4.7. Penalty Interest. The Trustee will pay interest, to the extent legally enforceable, at the rate of 11.25% per annum ("Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

4.8. Currency of Payment. All payments provided for in this Agreement shall be made in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 16 hereof, the Trustee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due; provided, however, that the CSA Indebtedness may be prepaid as provided for in Article 4 hereof and the Trustee may also prepay all of the CSA Indebtedness, without penalty or premium, together with interest accrued to the date of payment, if an Event of Default shall have occurred under the Lease and the Vendor shall have given written notice to the Trustee that it intends to make a Declaration of Default (as defined in Article 16 hereof) and/or to terminate the Lease as provided in Article 16 hereof.

4.9. Liability of Trustee Limited to "Income and Proceeds from Equipment". Notwithstanding any other provision of this Agreement (including but not limited to any provision of Articles 16 and 17 hereof, except as set forth in this Section 4.9), but not limiting the effect of Article 23 hereof, the liability of the Trustee or any assignee of the Trustee for all payments to be made by it under this Agreement, with the exception only of the payments to be made pursuant to Section 4.3 (a) hereof (liability for such payments being limited to the extent funds are delivered to the Trustee by the Owner for such purpose) and the proviso to Section 13.3 hereof, shall not exceed an amount equal to and shall be payable only out of the "income and proceeds from the Equipment", and such payments shall be made by the Trustee only to the extent that the Trustee or any assignee of the Trustee shall have actually received sufficient "income and proceeds from the Equipment" to make such payments. Except as provided in the preceding sentence, the Trustee shall have

no liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Trustee or any assignee of the Trustee. As used herein the term "income and proceeds from the Equipment" shall mean:

(i) if one of the events of default specified in Section 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee or any assignee of the Trustee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences (as defined in § 7 of the Lease) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 13 or any other provision of the Lease (except any indemnity paid or payable to the Trustee or the Owner pursuant to § 6 or 12 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition; and

(ii) at any other time only that portion of the amounts referred to in clauses (a) and (b) of subsection (i) above (not including amounts paid by the Lessee to the Trustee as reimbursement of sums paid by the Trustee on account of prior defaults under subparagraph A of § 13.1 of the Lease) as are indefeasibly received by the Trustee or any assignee of the Trustee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Trustee or any assignee of the Trustee were required to be paid to it pursuant to the Lease or which exceeded any other

payments due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Equipment as provided for herein for the full unpaid Trustee's Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this Section, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this Section.

ARTICLE 5. SECURITY INTEREST IN EQUIPMENT

5.1. Vendor To Retain Security Interest; Accessions Are Part of Equipment. The Vendor hereby retains a security interest in the Equipment until the Trustee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Lessee as provided in this Agreement and the Lease. Any and all parts installed on and additions and replacements made to any unit of Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Trustee's Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the United States Department of Transportation, the Interstate Commerce Commission, the Association of American Railroads or any other applicable regulatory body shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used herein.

5.2. Obligations Upon Payment of CSA Indebtedness. Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Trustee's Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee at that time, will (a) execute an instrument

releasing its security interest in the Equipment and transferring such interest to the Trustee or upon its order, free of all claims, liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Trustee at its address referred to in Article 22 hereof, (b) execute and deliver at the same place, for filing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Equipment and (c) pay to the Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as provided therein. The Trustee hereby waives and releases any and all rights existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 6. TAXES

6.1. General Tax Indemnification. The Trustee agrees to pay and to indemnify and hold the Vendor harmless from all Taxes (as defined in § 6 of the Lease); excluding, however, (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Trustee has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that

the Trustee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Section 6.2 hereof.

6.2. Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Trustee. If reasonably requested by the Trustee in writing, the Vendor shall, upon receipt of any indemnity reasonably satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings or both. The Trustee may also contest, at its own expense, the validity, applicability or amount of such taxes in the name of the Vendor; provided that no proceedings or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor which shall not be unreasonably withheld. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Section 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3. Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Trustee under or arising out of this Article 6, the Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Trustee.

6.4. Survival. All of the obligations of the Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

ARTICLE 7. MAINTENANCE; CASUALTY OCCURRENCES

7.1. Maintenance. The Trustee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for interchange service.

7.2. Casualty Occurrences. In the event that any unit of Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease), the Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the Casualty Payment Date (as defined in § 7 of the Lease), the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as defined in Section 7.3 hereof) of such unit suffering a Casualty Occurrence as of such Casualty Payment Date, together with accrued interest thereon as hereinafter provided. The Trustee shall file or cause to be filed with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this Section shall be applied on the date of such payment to prepay the CSA Indebtedness, without penalty or premium, ratably in accordance with the unpaid balance of each installment, together with all interest accrued on the portion of the CSA Indebtedness being prepaid. The Trustee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendor and the Lessee may request, calculated as provided in Section 4.5 hereof.

7.3. Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Trustee's Purchase Price thereof referred to in Section 4.3(b) hereof remaining unpaid on the date as of which such Casualty Value shall be determined (after giving effect to the scheduled payment of principal and interest due and made on such date, with respect to such unit but without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this Section 7.3 and Section 7.4 hereof, each payment of the Trustee's Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Trustee's Purchase Price of such unit bears to the aggre-

gate original Trustee's Purchase Price of all the Equipment.

7.4. Obligations upon Payment of Casualty Value.

Upon payment by the Trustee to the Vendor of the Casualty Value of any unit of Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee, an appropriate instrument confirming such passage to the Trustee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Trustee may make clear upon the public records the title of the Trustee to such unit.

ARTICLE 8. INSURANCE; CONDEMNATION

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall pay such insurance proceeds or condemnation payments to the Trustee, after receipt by the Vendor of the Casualty Value of such unit, together with accrued interest thereon, unless an event of default shall have occurred and be continuing hereunder. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Trustee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9. REPORTS AND INSPECTIONS

On or before March 31 in each year, commencing with the year 1981, the Trustee shall cause to be furnished to the Vendor an accurate statement to the effect set forth in § 8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Trustee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. MARKING OF EQUIPMENT

The Trustee will cause each unit of Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor which previously shall have been filed with the Vendor and filed by or on behalf of the Trustee in all public offices where this Agreement shall have been filed. Except as aforesaid, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

ARTICLE 11. COMPLIANCE WITH LAWS

During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation the use, maintenance and operation of the Equipment) with all Applicable Laws (as defined in § 10 of the Lease) and in the event the Applicable Laws require any alteration, replacement or addition of or to any part on any unit of Equipment, the Trustee will or will cause any lessee to conform therewith at no expense to the Vendor; provided, however, that the Trustee or any lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement; provided, further, that the obligations hereunder will not be greater than those required in § 10.1 of the Lease.

ARTICLE 12. POSSESSION AND USE

12.1. Possession and Use of Equipment by Trustee. So long as an event of default shall not have occurred and be continuing under this Agreement, the Trustee shall be entitled to the possession of the Equipment and the use thereof from and after delivery of the Equipment by NAC to the Trustee, but only upon and subject to all the terms and conditions of this Agreement.

12.2. Lease Permitted; Lease Subordinate; No Amendment or Termination. The Trustee simultaneously is

leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights and shall, except as provided in § 15.2 of the Lease, be subject to the remedies of the Vendor under this Agreement. The Lease shall not be amended in any material respect or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 13. PROHIBITION AGAINST LIENS

13.1. Trustee To Discharge Liens. The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or any unit thereof equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2. No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3. Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Trustee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Trustee will, in its individual capacity, pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Trustee and its successors and assigns and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not

arising out of its interest of the Equipment, the administration of the Trust Estate, the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owner, including taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Trustee's interest in the Lease and the payments to be made thereunder, but the Trustee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in the Equipment or otherwise under this Agreement.

ARTICLE 14. INDEMNITIES AND WARRANTIES

14.1. Indemnification. The Trustee shall pay and shall protect, indemnify and hold harmless the Vendor, its successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all Indemnified Matters (as defined in § 12 of the Lease), except that the Trustee shall not be liable to the Builder in respect of any Indemnified Matter to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's warranties or patent indemnities referred to in Section 14.4 hereof. The Trustee shall be obligated under this Article 14, whether or not any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Trustee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Trustee may and, upon such Indemnified Person's request, will at the Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Trustee and approved by such Indemnified Person and, in the event of any failure by the Trustee to do so, the Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection

with such action, suit or proceeding. In the event the Trustee is required to make any payment under this Article 14, the Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Trustee agree to give each other written notice of any claim or liability hereby indemnified against promptly upon obtaining knowledge thereof. Upon the payment in full by the Trustee of any indemnity as contained in this Article 14, and provided that no event of default described in Section 16.1 hereof or other event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing, the Trustee shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from the Lessee as a result of any Indemnified Matter shall be paid over to the Trustee to the extent necessary to reimburse the Trustee for indemnification payments previously made by the Trustee in respect of such Indemnified Matter.

14.2. Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3. Trustee Not Released if Equipment Damaged or Lost. The Trustee will bear the responsibility for and risk of any damage to or destruction or loss of each unit of Equipment and shall not be released from its obligations hereunder in any such event.

14.4. Warranties and Patent Indemnities. The agreement of the parties relating to the Builder's warranties of material and workmanship and to patent indemnification are set forth in Items 3 and 4 of Annex A hereto. The patent indemnification agreements of the Builder shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner. NAC DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE EQUIPMENT OR AS TO THE QUALIFY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT DELIVERED TO THE TRUSTEE HEREUNDER, AND NAC DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF SUCH UNITS FOR ANY PARTICULAR PURPOSE, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT (EXCEPT AS PROVIDED IN SECTION 14.5 HEREOF), EITHER UPON DELIVERY THEREOF TO THE TRUSTEE OR OTHERWISE.

The Builder represents and warrants to NAC and the Trustee and their respective successors and assigns that at the time of delivery and acceptance of each unit of Equipment under this Agreement NAC will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

The Builder represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

14.5. Warranties of NAC. NAC represents and warrants to the Trustee that at the time of delivery and acceptance of each unit of Equipment under this Agreement the Trustee will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

NAC represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

ARTICLE 15. ASSIGNMENTS

15.1. Assignment by Trustee. The Trustee will not transfer the right to possession of any unit of the Equipment (except to the Lessee pursuant to the Lease) or sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2. Assignment by Vendor. All or any of the rights, remedies, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to or relieve the Builder or NAC from any of the obligations of the Builder to construct and deliver the Equipment to NAC or of NAC to deliver the Equipment to the Trustee in accordance herewith or to respond to their respective warranties and indemnities referred to in Articles 2 and 14 hereof, or relieve the Trustee of its obligations to NAC or NAC of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15 or any other obligation which, according to its terms or context, is intended to survive an assignment.

15.3. Notice of Assignment by Vendor. Upon any such assignment pursuant to Section 15.2 hereof, either the assignor or the assignee shall give written notice to the Trustee and the Lessee, together with a copy of such assignment, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee

under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

15.4. No Setoff Against CSA Indebtedness. The Trustee recognizes that this Agreement will be assigned to the Agent as provided in the CSA Assignment. The Trustee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Agent to the entire unpaid CSA Indebtedness in respect of the Trustee's Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Trustee arising out of any breach of any obligation of the Builder or NAC with respect to the Equipment or the manufacture, construction, delivery or warranty thereof or with respect to any indemnity herein contained or arising by reason of any other indebtedness or liability at any time owing to the Trustee by the Builder or NAC. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee against and only against the Builder or NAC, as the case may be.

ARTICLE 16. DEFAULTS

16.1. Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness. In the event that any one or more of the following events of default shall occur and be continuing:

(a) the Trustee shall fail to pay or cause to be paid in full any sum payable by the Trustee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) and such default shall continue for 10 days after the date such payment is due and payable; or

(b) the Trustee or the Lessee shall, for more than 30 days after the Vendor shall have given notice in writing demanding performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provi-

sions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) or any covenant, agreement, term or provision of the CSA Assignment, the Lease, the Lease Assignment or the Participation Agreement made expressly for the benefit of the Vendor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under the Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees; or

(d) any other proceeding shall be commenced by or against the Trustee, the Owner or the Lessee for any relief which includes or might result in any modification of the obligations of the Trustee hereunder, the Owner under the Trust Agreement or the Lessee under the Lease under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee,

the Owner or the Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers; or

(e) any Event of Default under the Lease other than an event referred to in § 13.1(A) of the Lease (or an Event of Default under § 13.1(C) or (D) of the Lease relating to the Indemnity Agreement) shall have occurred and be continuing; or

(f) an Event of Default under § 13.1(A) of the Lease shall continue for more than 12 consecutive monthly rental payment dates or shall have occurred on more than 18 such dates during any 5 years;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) cause the term of the Lease immediately upon such notice to terminate (subject to § 15.2 of the Lease); provided, however, that such termination shall not be in derogation of or impair the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under § 13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to sue for and recover damages provided for in § 13 of the Lease upon the occurrence of an Event of Default under the Lease, and/or (ii) declare ("Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire

unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee wherever situated, subject to the provisions of Articles 4 and 23 hereof. The Trustee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes, or with the giving of notice or lapse of time or both would constitute an event of default under this Agreement.

A copy of any notice given to the Trustee pursuant to this Section 16.1 shall also be given to the Lessee, but the failure to give any such notice shall not relieve the Lessee of any of its obligations under this Agreement or the Lease.

16.2. Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this Section, time is of the essence of this Agreement and no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17. REMEDIES

17.1. Vendor May Take Possession of Equipment. At any time during the continuance of a Declaration of Default and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, the Vendor may take or cause to be taken by its agent or agents immediate possession of the Equipment or one or more of the units thereof without liability to return to the Trustee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee, the Lessee or any other person and for such purpose may enter upon the premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any

available trackage and other facilities or means of the Trustee or the Lessee, subject to all mandatory requirements of due process of law.

17.2. Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment, the Trustee shall at its own expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place as directed by the Vendor.

During any storage period, the Trustee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and the Trustee acknowledges that upon application to any court of equity having competent jurisdiction the Vendor shall be entitled to a decree requiring specific performance hereof. The Trustee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of Equipment in any commercially reasonable manner.

17.3. Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Section 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor

shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Lessee or any other persons notified under the terms of this Section object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4. Vendor May Sell Equipment; Trustee's Right of Redemption. At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment or one or more of the units thereof free from any and all claims of the Trustee, the Lessee or any other party claiming from, through or under the Trustee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and

unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for and otherwise arranging for the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5. Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Trustee or the Lessee may bid for and become the purchaser of the Equipment or any unit thereof so offered for sale. The Trustee and the Lessee shall be given written notice of such sale not less than 10 days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Trustee to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee or the Lessee (except to the extent of surplus money received as provided in Section 17.7 hereof) and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6. Effect of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power

and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7. Deficiency or Surplus. If there shall remain any amount due to the Vendor under the provisions of this Agreement after applying all sums of money realized by the Vendor under the remedies herein provided, the Trustee shall pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Trustee (subject to the limitations set forth in Section 4.9 and Article 23 hereof). If there shall remain a surplus in the possession of the Vendor after applying as aforesaid all sums realized by the Vendor, such surplus shall be paid to the Trustee.

17.8. Expenses. The Trustee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

17.9. Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are sub-

ject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18. APPLICABLE STATE LAWS

18.1. Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall be ineffective as to such jurisdiction without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement, except such portion as relates to the sale of the Equipment by the Builder to NAC, shall be deemed to be a conditional sale and enforced as such.

18.2. Waiver of Notices. Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, including notice of intention to take possession of or to sell or lease the Equipment or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19. FILING

The Trustee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303; and the Trustee will from time to time perform any other act and will execute, acknowledge, deliver and file any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Trustee will promptly furnish to the Vendor certificates or other evidence of such filing satisfactory to the Vendor.

ARTICLE 20. REPRESENTATIONS AND WARRANTIES OF BUILDER AND NAC

The Builder hereby represents and warrants to NAC and the Trustee, and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by NAC and the Trustee, this Agreement is, insofar as the Builder is concerned, a legal, valid and binding instrument, enforceable against the Builder in accordance with its terms.

NAC hereby represents and warrants to the Builder and the Trustee and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by the Builder and the Trustee, this Agreement is, insofar as NAC is concerned, a legal, valid and binding instrument, enforceable against NAC in accordance with its terms. NAC agrees to perform its obligations under § 17 of the Lease.

ARTICLE 21. HEADINGS; MODIFICATION OF AGREEMENT

All article and section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

Except for the Participation Agreement and the Exhibits thereto, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Builder, NAC, the Vendor and the Trustee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Trustee and, if such variation or modification shall adversely affect their respective interests hereunder, the Builder and NAC. Any reference herein to this Agreement or any other agreement shall mean such agreement and all amendments and supplements hereto or thereto then in effect.

ARTICLE 22. NOTICES

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if deliv-

ered, telexed or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified address:

(a) to the Builder, at the address specified in Item 1 of Annex A hereto;

(b) to NAC, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President-Law;

(c) to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(d) to the Lessee at its address set forth in Paragraph 12 of the Participation Agreement;

(e) to the Agent, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(f) to any assignee of the Vendor or of the Trustee, at such address as may have been furnished in writing to the Trustee or the Vendor, as the case may be, by such assignee;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23. IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1. No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise; all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2. Satisfaction of Certain Covenants. The obligations of the Trustee under Section 7.1 and under

Articles 6, 9, 10, 11, 13 (except as set forth in Section 13.3 thereof), 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects by the Lessee's execution and delivery of the Lease. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

23.3. No Personal Liability of Trustee. Each and all of the representations, warranties, agreements, covenants and undertakings herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner (except as provided in Section 13.3 hereof) on account of any representation, warranty or agreement herein of the Trustee (except as aforesaid or in the case of gross negligence or wilful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor making claim hereunder may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section 23.3 shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Trustee (provided that neither the Trustee in its fiduciary or individual capacity nor the Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Trustee or the Owner) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right

to proceed against the Equipment or the Lessee under the Lease.

The Trustee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights, if any, arising out of the filing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof may be filed or in which any unit of Equipment shall be located and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25. EXECUTION

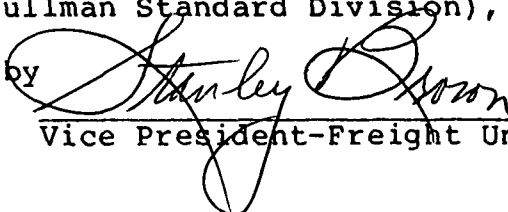
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

PULLMAN INCORPORATED
(Pullman Standard Division),

[Corporate Seal]

by


Vice President-Freight Unit

Attest:


Assistant Secretary

NORTH AMERICAN CAR CORPORATION,

[Corporate Seal]

by

Attest:

Secretary

EXCHANGE NATIONAL BANK OF
CHICAGO, not in its individual
capacity but solely as Trustee
under a Trust Agreement dated
as of the date hereof with The
First National Bank of Kansas
City,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 29th day of September 1980, before me personally appeared Stanley Brown, to me personally known, who, being by me duly sworn, says that he is the Vice President-Freight Unit of PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Denise K. Lester
Notary Public

[Notarial Seal]

MY COMMISSION EXPIRES
August 7, 1983

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
to me personally known, who, being by me duly sworn, says
that he is
of NORTH AMERICAN CAR CORPORATION, a Delaware corporation,
that one of the seals affixed to the foregoing instrument is
the corporate seal of said Corporation, that said instrument
was signed and sealed on behalf of said Corporation by
authority of its Board of Directors and he acknowledged that
the execution of the foregoing instrument was the free act
and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

SCHEDULE I

ALLOCATION SCHEDULE OF EACH \$1,000,000 OF CSA
INDEBTEDNESS PAYABLE IN (i) ONE INTERIM PAYMENT
OF INTEREST ONLY AND (ii) 180 MONTHLY
INSTALLMENTS OF PRINCIPAL AND INTEREST

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
(Interim Period)	*	*	-0-	\$1,000,000.00
1	8,541.67	8,541.67	.00	1,000,000.00
2	8,541.67	8,541.67	.00	1,000,000.00
3	8,541.67	8,541.67	.00	1,000,000.00
4	8,541.67	8,541.67	.00	1,000,000.00
5	8,541.67	8,541.67	.00	1,000,000.00
6	8,541.67	8,541.67	.00	1,000,000.00
7	9,978.40	8,541.67	1,436.73	998,563.27
8	9,978.40	8,529.39	1,449.01	997,114.26
9	9,978.40	8,517.02	1,461.38	995,652.88
10	9,978.40	8,504.54	1,473.86	994,179.02
11	9,978.40	8,491.95	1,486.45	992,692.57
12	9,978.40	8,479.25	1,499.15	991,193.42
13	9,978.40	8,466.44	1,511.96	989,681.46
14	9,978.40	8,453.53	1,524.87	988,156.59
15	11,517.39	8,440.50	3,076.89	985,079.70
16	11,517.39	8,414.22	3,103.17	981,976.53
17	11,517.39	8,387.72	3,129.67	978,846.86
18	11,517.39	8,360.98	3,156.41	975,690.45
19	11,517.39	8,334.02	3,183.37	972,507.08
20	11,517.39	8,306.83	3,210.56	969,296.52
21	11,517.39	8,279.41	3,237.98	966,058.54
22	11,517.39	8,251.75	3,265.64	962,792.90
23	11,517.39	8,223.86	3,293.53	959,499.37
24	11,517.39	8,195.72	3,321.67	956,177.70
25	11,517.39	8,167.35	3,350.04	952,827.66
26	11,517.39	8,138.74	3,378.65	949,449.01
27	11,517.39	8,109.88	3,407.51	946,041.50
28	11,517.39	8,080.77	3,436.62	942,604.88
29	11,517.39	8,051.42	3,465.97	939,136.91
30	11,517.39	8,021.81	3,495.58	935,643.33

* Interest accrued during period elapsed between the Closing Date (as defined in the Participation Agreement) and the Interim Payment Date.

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
31	11,517.39	7,991.95	3,525.44	932,117.89
32	11,517.39	7,961.84	3,555.55	928,562.34
33	11,517.39	7,931.47	3,565.92	924,996.42
34	11,517.39	7,900.84	3,616.55	921,359.87
35	11,517.39	7,869.95	3,647.44	917,712.43
36	11,517.39	7,838.79	3,678.60	914,033.83
37	11,517.39	7,807.37	3,710.02	910,323.81
38	11,517.39	7,775.68	3,741.71	906,582.10
39	11,517.39	7,743.72	3,773.67	902,808.43
40	11,517.39	7,711.49	3,805.90	899,002.53
41	11,517.39	7,678.98	3,838.41	895,164.12
42	11,517.39	7,646.19	3,871.20	891,292.92
43	11,517.39	7,613.13	3,904.26	887,388.66
44	11,517.39	7,579.75	3,937.61	883,451.05
45	11,517.39	7,546.14	3,971.25	879,479.80
46	11,517.39	7,512.22	4,005.17	875,474.63
47	11,517.39	7,478.01	4,039.38	871,435.25
48	11,517.39	7,443.51	4,073.88	867,361.37
49	11,517.39	7,408.71	4,108.68	863,252.69
50	11,517.39	7,373.62	4,143.77	859,108.92
51	11,517.39	7,338.22	4,179.17	854,929.75
52	11,517.39	7,302.52	4,214.87	850,714.86
53	11,517.39	7,266.52	4,250.87	846,464.01
54	11,517.39	7,230.21	4,287.18	842,176.83
55	11,517.39	7,193.79	4,323.60	837,853.23
56	11,517.39	7,156.66	4,360.73	833,492.30
57	11,517.39	7,119.41	4,397.98	829,094.32
58	11,517.39	7,081.85	4,435.54	824,658.78
59	11,517.39	7,043.96	4,473.43	820,185.35
60	11,517.39	7,005.75	4,511.64	815,673.71
61	11,517.39	6,967.21	4,550.16	811,123.53
62	11,517.39	6,928.35	4,589.04	806,534.49
63	11,517.39	6,889.15	4,628.24	801,906.25
64	11,517.39	6,849.62	4,667.77	797,238.48
65	11,517.39	6,809.75	4,707.64	792,530.84
66	11,517.39	6,769.53	4,747.86	787,782.98
67	11,517.39	6,728.98	4,788.41	782,994.57
68	11,517.39	6,688.08	4,829.31	778,165.26
69	11,517.39	6,646.83	4,870.56	773,294.70
70	11,517.39	6,605.23	4,912.16	768,382.54
71	11,517.39	6,563.27	4,954.12	763,428.42

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
72	11,517.39	6,520.95	4,996.44	758,431.98
73	11,517.39	6,478.27	5,039.12	753,392.86
74	11,517.39	6,435.23	5,082.16	748,310.70
75	11,517.39	6,391.82	5,125.57	743,189.13
76	11,517.39	6,348.04	5,169.35	738,015.78
77	11,517.39	6,303.88	5,213.51	732,802.27
78	11,517.39	6,259.35	5,258.04	727,544.23
79	11,517.39	6,214.44	5,302.95	722,241.28
80	11,517.39	6,169.14	5,348.25	716,893.03
81	11,517.39	6,123.46	5,393.93	711,499.10
82	11,517.39	6,077.39	5,440.00	706,059.10
83	11,517.39	6,030.92	5,486.47	700,572.63
84	11,517.39	5,984.06	5,533.33	695,039.30
85	11,517.39	5,936.79	5,580.60	689,458.70
86	11,517.39	5,889.13	5,628.26	683,830.44
87	11,517.39	5,841.05	5,676.34	678,154.10
88	11,517.39	5,792.57	5,724.82	672,429.28
89	11,517.39	5,743.67	5,773.72	666,655.56
90	11,517.39	5,694.35	5,823.04	660,832.52
91	11,517.39	5,644.61	5,872.78	654,959.74
92	11,517.39	5,594.45	5,922.94	649,036.80
93	11,517.39	5,543.86	5,973.53	643,063.27
94	11,517.39	5,492.83	6,024.56	637,038.71
95	11,517.39	5,441.37	6,076.02	630,962.69
96	11,517.39	5,389.47	6,127.92	624,834.77
97	11,517.39	5,337.13	6,180.26	618,654.51
98	11,517.39	5,284.34	6,233.05	612,421.46
99	11,517.39	5,231.10	6,286.29	606,135.17
100	11,517.39	5,177.40	6,339.99	599,795.18
101	11,517.39	5,123.25	6,394.14	593,401.04
102	11,517.39	5,068.63	6,445.76	586,955.28
103	11,517.39	5,013.55	6,503.84	580,451.44
104	11,517.39	4,958.00	6,559.39	573,892.05
105	11,517.39	4,901.97	6,615.42	567,273.63
106	11,517.39	4,845.46	6,671.93	560,601.70
107	9,623.77	4,788.47	4,835.30	555,766.40
108	9,623.77	4,747.17	4,876.60	550,889.80
109	9,623.77	4,705.52	4,918.25	545,271.55
110	9,623.77	4,663.51	4,960.26	541,011.29
111	9,623.77	4,621.14	5,002.63	536,005.66
112	9,623.77	4,578.41	5,045.36	530,963.30
113	9,623.77	4,535.31	5,088.46	525,874.84
114	9,623.77	4,491.65	5,131.92	520,742.92
115	9,623.77	4,448.01	5,175.76	515,567.16

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
116	9,623.77	4,403.80	5,219.97	510,347.19
117	9,623.77	4,359.22	5,264.55	505,082.64
118	9,623.77	4,314.25	5,309.52	499,773.12
119	9,623.77	4,268.90	5,354.87	494,418.25
120	9,623.77	4,223.16	5,400.61	489,017.64
121	9,623.77	4,177.03	5,446.74	483,570.90
122	9,623.77	4,130.50	5,493.27	478,077.63
123	9,623.77	4,083.58	5,540.19	472,537.44
124	9,623.77	4,036.26	5,587.51	466,949.93
125	9,623.77	3,988.53	5,635.24	461,314.69
126	9,623.77	3,940.40	5,683.37	455,631.32
127	9,623.77	3,891.85	5,731.92	449,899.40
128	9,623.77	3,842.89	5,780.88	444,118.52
129	9,623.77	3,793.51	5,830.26	438,288.26
130	9,623.77	3,743.71	5,880.06	432,408.20
131	9,623.77	3,693.49	5,930.28	426,477.92
132	9,623.77	3,642.83	5,980.94	420,496.98
133	9,623.77	3,591.75	6,032.02	414,464.96
134	9,623.77	3,540.22	6,083.55	408,381.41
135	9,623.77	3,488.26	6,135.51	402,245.90
136	9,623.77	3,435.85	6,187.92	396,057.98
137	9,623.77	3,383.00	6,240.77	389,817.21
138	9,623.77	3,329.69	6,294.08	383,523.13
139	9,623.77	3,275.93	6,347.84	377,175.29
140	9,623.77	3,221.71	6,402.06	370,773.23
141	9,623.77	3,167.02	6,456.75	364,316.48
142	9,623.77	3,111.87	6,511.90	357,804.58
143	9,623.77	3,056.25	6,567.52	351,237.06
144	9,623.77	3,000.15	6,623.62	344,613.44
145	9,623.77	2,943.57	6,680.20	337,933.24
146	9,623.77	2,886.51	6,737.26	331,195.98
147	9,623.77	2,828.97	6,794.80	324,401.18
148	9,623.77	2,770.93	6,852.84	317,548.34
149	9,623.77	2,712.39	6,911.38	310,636.96
150	9,623.77	2,653.36	6,970.41	303,666.55
151	11,517.39	2,593.82	8,923.57	294,742.98
152	11,517.39	2,517.60	8,999.79	285,743.19
153	11,517.39	2,440.72	9,076.67	276,666.52
154	11,517.39	2,363.19	9,154.20	267,512.32
155	11,517.39	2,285.00	9,232.39	258,279.93

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
156	11,517.39	2,206.14	9,311.25	248,968.68
157	11,517.39	2,126.61	9,390.78	239,577.90
158	11,517.39	2,046.39	9,471.00	230,106.90
159	11,517.39	1,965.50	9,551.89	220,555.01
160	11,517.39	1,883.91	9,633.48	210,921.53
161	11,517.39	1,801.62	9,715.77	201,205.76
162	11,517.39	1,718.63	9,798.76	191,407.00
163	11,517.39	1,634.93	9,882.46	181,524.54
164	11,517.39	1,550.52	9,966.87	171,557.67
165	11,517.39	1,465.39	10,052.00	161,505.67
166	11,517.39	1,379.53	10,137.86	151,367.81
167	11,517.39	1,292.93	10,224.46	141,143.35
168	11,517.39	1,205.60	10,311.79	130,831.56
169	11,517.39	1,117.52	10,399.87	120,431.69
170	11,517.39	1,028.69	10,488.70	109,942.99
171	11,517.39	939.10	10,578.29	99,364.70
172	11,517.39	848.74	10,668.65	88,696.05
173	11,517.39	757.61	10,759.78	77,936.27
174	11,517.39	665.71	10,851.68	67,084.59
175	11,517.39	573.01	10,944.38	56,140.21
176	11,517.39	479.53	11,037.86	45,102.35
177	11,517.39	385.25	11,132.14	33,970.21
178	11,517.39	290.16	11,227.23	22,742.98
179	11,517.39	194.26	11,323.13	11,419.85
180	11,517.39	97.54	11,419.85	-.00
	1,959,644.68	959,644.68	1,000,000.00	

ANNEX A
TO
CONDITIONAL SALE AGREEMENT

Information Relating to Building of Equipment

- Item 1: PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, having its address at 200 South Michigan Avenue, Chicago, Illinois 60604, attention of Vice President-Freight Unit.
- Item 2: The Equipment shall be settled for in no more than one Group of units of Equipment delivered to and accepted by NAC and the Trustee unless a greater number shall be agreed to by the parties hereto.
- Item 3: The Builder warrants to NAC, the Trustee, the Owner and the Lessee that the Equipment will be built in accordance with the Specifications and the standards and requirements set forth in Article 2 of this Agreement and warrants that the Equipment will be free from defects in material (except as to items or specialties incorporated therein and workmanship with respect thereto specified by the Lessee and not manufactured by the Builder) and workmanship under normal use and service. The Builder's obligation under this Item 3 is limited to making good at its plant any part or parts of any unit of the Equipment which shall within one year after the delivery of such unit to the Lessee be returned to the Builder with transportation charges prepaid and which the Builder's examination shall disclose to its satisfaction to have been defective; provided, however, that this warranty will be subject to the following limitations: (i) warranty coverage on unit running gear and contact points to unit structure is restricted to one year or 25,000 miles, whichever first occurs; and (ii) normal use and service is deemed to require inspection, adjustment, maintenance, and compliance with the Builder's written instructions and any applicable Federal, state or local laws or regulations. The foregoing warranty of the Builder is expressly in lieu of all other warranties to NAC, the Trustee, the Owner and the Lessee, express or implied, including any implied warranty of merchantability or fitness for a particular

purpose, except for its obligations or liabilities to NAC and the Trustee under Articles 2, 3, 4 and 14 of this Agreement and Item 4 below, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment. In no event shall the Builder be liable for special or consequential damages.

Builder further agrees that neither any inspection as provided in Article 3 of the CSA, nor any examination nor the acceptance of any unit of Equipment as provided in such Article 3, shall be deemed a waiver or modification of any of the rights under this Item 3.

- Item 4: Except in case of designs, processes or combinations specified by the Lessee and not developed or purported to be developed by the Builder and articles and materials specified by the Lessee and not manufactured by the Builder, the Builder agrees to indemnify, protect and hold harmless NAC, the Trustee, the Owner and the Lessee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC, the Trustee, the Owner and the Lessee because of the use in or about the construction or operation of the Equipment or any unit hereof of any design, process, combination, article or material infringing or claimed to infringe on any patent or other right. The Lessee, as a condition to its being a third party beneficiary hereof, will indemnify, protect and hold harmless the Builder from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Builder because of the use in or about the construction or operation of the Equipment or any unit thereof of any design, process or combination specified by the Lessee and not developed or purported to be developed by the Builder or article or material specified by the Lessee and not manufactured by the Builder, which infringes or is claimed to infringe on any patent or other right. The Builder hereby transfers and assigns to the Lessee every claim, right and cause of action, to the extent legally

possible without impairing any claim, right or cause of action which the Builder has or hereafter shall have against the originator or seller or sellers of any design, process, combination, article or material specified by the Lessee and used by the Builder in or about the construction or operation of the Equipment or any unit thereof on the ground that any such design, process, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right, and the Builder further agrees to execute and deliver to the Lessee every such further assurance as may be reasonably requested by it to more fully effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Lessee, as a condition to its being a third party beneficiary hereof, will give notice to the Builder of any claim known to the Lessee on the basis of which liability may be charged against the Builder hereunder.

- Item 5: The Maximum Purchase Price referred to in Article 4 of this Agreement is \$7,011,400.50.
- Item 6: The Maximum Conditional Sale Indebtedness referred to in Article 4 of this Agreement is \$4,837,866.34.

ANNEX B
TO
CONDITIONAL SALE AGREEMENT

Units of Railroad Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
<i>SR</i> 100-ton, 4,020 4,250 cubic- foot 3 hopper, gravity load/unload covered hopper grain cars	LO	1147	Butler, Pa.	150	SAMX 3100- 3249	\$46,742.67	\$7,011,400.50	September- October, 1980 at or near Butler, Pa.

ANNEX C
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

LEASE OF RAILROAD EQUIPMENT

Dated as of September 1, 1980

Between

SEABOARD ALLIED MILLING CORPORATION,
Lessee,

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
The First National Bank of Kansas City,
Trustee.

[Covering 150 Covered Hopper Cars]

The rights and interests of the Lessor under this Lease are subject to a security interest in favor of LaSalle National Bank, as Agent for certain institutional investors. The original of this Lease is held by said Agent.

LEASE OF RAILROAD EQUIPMENT

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* This Table of Contents has been included for convenience only and does not form a part of this document.

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LEASE OF RAILROAD EQUIPMENT dated as of September 1, 1980, between SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) ("Builder") and NORTH AMERICAN CAR CORPORATION ("NAC") pursuant to which the Builder has agreed to manufacture, sell and deliver to NAC and NAC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Appendix A hereto (such units as are actually delivered to and accepted by the Trustee pursuant to the terms hereof and of the CSA, herein called the "Units").

NAC is assigning certain of its interests in the CSA pursuant to an Agreement and Assignment dated the date hereof ("CSA Assignment") to LA SALLE NATIONAL BANK, acting as agent ("Agent") for certain Institutional Investors ("Investors") under a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

The Lessee desires to lease the Units from the Trustee at the rentals and upon the terms and conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof ("Lease Assignment") and the Lessee will acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

In consideration of the rentals to be paid and the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. NET LEASE

This Lease is a net lease. Each of the Lessee's

obligations to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee or the Owner under this Lease or the CSA, including the Lessee's rights by subrogation thereunder to NAC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Trustee, the Owner or the Agent for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. Each delivery of a Unit to the Trustee under the CSA shall be deemed to be a delivery hereunder to the Lessee at

the point or points within the United States at which such Unit is so delivered to the Trustee. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Trustee under the CSA and on behalf of itself hereunder and execute and deliver to the Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, one interim rental payment on the Interim Payment Date (as defined in the CSA), and 180 consecutive monthly payments payable, in arrears, on the first date of each month (each such date a "Rental Payment Date"), commencing on the first day of the month next succeeding the Interim Payment Date. In respect of each Unit subject to this Lease, (a) the interim rental payment shall be in an amount equal to the product of the Trustee Purchase Price (as defined in Section 4.1 of the CSA) for each such Unit subject to this Lease multiplied by .02847% for each day elapsed from and including the Closing Date (as defined in Section 4.2 of the CSA) for such Unit to but not including Interim Payment Date, and (b) the 180 monthly rental payments shall each be in an amount equal to 0.79470% multiplied by the Trustee's Purchase Price of each such Unit.

Anything in the foregoing provisions of this § 3.1 to the contrary notwithstanding, it is agreed that the aggregate of the rentals payable pursuant to this § 3.1 on each Rental Payment Date shall in no event be less than the principal and interest payment due on each such date pursuant to Article 4 of the CSA.

3.2. Payment on Nonbusiness Day. If any Rental Payment Date referred to in § 3.1 hereof is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term

"business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

3.3. Instructions To Pay Agent and Trustee. Upon execution and delivery of the Lease Assignment and until the Agent shall have advised the Lessee in writing that all sums due from the Trustee under the CSA have been fully satisfied and discharged, the Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease (except indemnities or other payments payable to the Trustee in its individual capacity or the Owner which shall be paid directly to the Trustee or the Owner, as the case may be) to the Agent, for the account of the Trustee, in care of the Agent, with instructions to the Agent at LaSalle National Bank, 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Division (or at such other address as may be furnished in writing to the Lessee by the Agent) with a notation that payment is for credit to Seaboard Allied Milling Corporation Lease Financing Trust Account No. 61-5576-50-1 on behalf of Seaboard Allied Milling Corporation (a) first to apply such payments to satisfy the obligations of the Trustee under the CSA known to the Agent to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Trustee or to the order of the Trustee in immediately available funds at such place as the Trustee shall specify in writing. If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Agent in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied, the rentals due hereunder and any payments with respect to a Casualty Occurrence thereafter due pursuant to § 7 hereof shall be made to the Trustee in immediately available funds in the manner provided in § 3.4 hereof.

3.4. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for in § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made.

§ 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The

term of this Lease as to each Unit shall begin on the date of delivery and acceptance thereof pursuant to § 2 hereof and, subject to the provisions of §§ 7, 13 and 16 hereof, terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3.1 hereof. The obligations of the Lessee hereunder (including without limitation the obligations under §§ 6, 7, 10, 11, 12 and 17 hereof) shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of Lessee Subject to CSA. Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination) without affecting the indemnities which by the provisions of this Lease survive the termination of its term; provided, however, that, so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and Lessee shall be entitled to the rights of possession, use and assignment under § 15 hereof.

§ 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identification number set forth in Appendix A hereto or, in the case of any Unit not there listed, such number as shall be set forth in any supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and the

Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. GENERAL TAX INDEMNIFICATION

The Lessee assumes responsibility for and agrees to pay, protect, save, keep harmless and indemnify the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in Section 1.02 of the Trust Agreement dated as of the date hereof between the Owner and the Trustee) and their respective successors, assigns, agents and servants ("Indemnified Persons") against all license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings and other governmental charges of any nature whatsoever, including without limitation penalties, additions to tax and interest (all such license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings, governmental charges, penalties, additions to tax, and interest called "Taxes"), imposed on, incurred by or asserted against any Indemnified Person or any Unit in whole or in part thereof by any Federal, state, local or foreign government or taxing authority upon or with respect to a Unit or any part thereof on account of or with respect to this Lease or the CSA or the Participation Agreement or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture, construction, purchase, shipment, installation, acceptance or rejection of the Units or any portion thereof or the ownership, delivery, nondelivery, leasing, re-leasing, subleasing, possession, use, transfer of title, operation, maintenance, repair, condition, sale, return or other disposition of the Units or any portion thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom or the interest of the Owner in

the Trust Estate and under the Trust Agreement; provided, however, that there shall be no indemnification hereunder (i) for any Taxes imposed on or measured by any fees or compensation received by the Trustee or the Agent, or (ii) any Taxes payable solely as a result of the wilful misconduct or gross negligence of the Indemnified Person, or (iii) for any Federal taxes measured by the net income of the Indemnified Person, or (iv) for any state and local taxes measured by the net income of the Indemnified Person, and franchise and value added taxes which are in lieu of such net income taxes, but not excluding any such taxes to the extent they do not actually reduce such Taxes payable by the Owner to the state in which it has its principal place of business. The Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Person to the extent required by this § 6 within 30 days after receipt of a written request by such Indemnified Person for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question; provided, however, that if any Taxes are being contested in accordance with the sixth paragraph of this § 6, any payment shall be made at the time therein provided.

In the event that the Trustee shall become obligated to make any payment to the Builder, NAC or the Agent or otherwise pursuant to any corresponding provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Trustee as will enable the Trustee to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Taxes, other than with respect to Federal, state or local income tax on or any tax to the extent measured in whole or in part by any fees or compensation paid to the Trustee or the Agent, are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units; provided, however, that the Trustee shall, with respect to any state of the United States or political subdivision thereof, file such returns, statements and reports as shall be prepared by the Lessee relating to sales or use taxes and taxes, fees and charges on or measured by the Trustee's earnings or gross receipts arising from the Units or the value added by the Trustee thereto as the

Lessee shall determine are required to be filed, and the Trustee shall remit the amount thereof upon payment by the Lessee to the Trustee (such payment to be made promptly upon charges except as provided above. To the extent that the Trustee has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Trustee hereby authorizes the Lessee to act in the name of the Trustee and on its behalf; provided, however, that the Lessee shall indemnify and hold the Trustee harmless (in both its individual and fiduciary capacities) from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of or incident to any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances or furnish other evidence satisfactory to the Trustee of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit its compliance with the requirements of taxing jurisdictions.

If any taxing authority shall assert liability for any Taxes or propose an increase in the liability of any Indemnified Person for any such Taxes (such assertion or proposed increase being herein called a "Claim"), indemnification for which would be required under this § 6, the Indemnified Person will give written notice to the Lessee within a reasonable time of such Claim. If the Lessee delivers to such Indemnified Person written notice of its desire to contest such Claim within 30 days after receipt of notice from such Indemnified Person, such Claim will be contested in accordance with this paragraph, except to the extent such Claim represents amounts payable to the Agent under Article 6 of the CSA. The Trustee will permit the Lessee to contest such claims under Article 6 of the CSA in accordance with the rights of the Trustee thereunder. The Indemnified Person shall have the exclusive right to conduct the contest unless such is waived in writing, in which event the contest and all preparations therefor shall be the sole responsibility of the Lessee and, in either case, shall be conducted

entirely at its expense. In the event that independent counsel is retained by the Owner to contest such claim, such counsel shall be satisfactory to the Lessee. Such Indemnified Person will cooperate with any reasonable request made by the Lessee in connection therewith; provided, however, that such Indemnified Person may in its sole discretion determine in what court or other forum such contest will be conducted and whether such contest will proceed by (a) resisting payment thereof, if practicable, (b) not paying the same except under protest, if protest is necessary and proper, or (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, and such Indemnified Person shall not be required to take any action pursuant to this paragraph unless and until (x) the Lessee shall have agreed to indemnify such Indemnified Person in a manner satisfactory to such Indemnified Person for any liability or loss which such Indemnified Person may incur as a result of contesting the validity of any Claim and shall have agreed to pay such Indemnified Person on demand all costs and expenses which such Indemnified Person may incur in connection with contesting such Claim (including, without limitation, indemnification for all costs, expenses, legal and accounting fees, disbursements, penalties, additions to tax and interest), and (y) such Indemnified Person shall have determined that the action to be taken will not result in the sale, forfeiture, or loss of, or the creation of any lien, encumbrance or security interest (other than any which the Lessee is not obligated to remove under § 15.2) on any Unit. If in any such contest the decision is made to pay the Taxes and sue for a refund, the Lessee will advance to such Indemnified Person on an interest-free basis sufficient funds to pay the Taxes which are to be contested. Upon receipt by any Indemnified Person of a refund of any Taxes paid by the Lessee pursuant to this paragraph, the amount of such refund and any interest paid to such Indemnified Person with respect thereto shall be paid to the Lessee forthwith upon receipt by such Indemnified Person.

The Lessee agrees to pay all amounts due under this § 6 free of any Taxes and to indemnify each Indemnified Person against any Taxes imposed by reason of any payment made by the Lessee so that the Indemnified Person to whom or for whose benefit the payment is made shall receive an amount which, net of any Taxes or other charges required to be paid by such Indemnified Person in respect thereof, shall be equal to the amount of payment otherwise required hereunder.

If and to the extent that the imposition of any

penalties and interest for which indemnification is required under this § 6 is due to the failure of an Indemnified Person to give prompt notice of a claim to the Lessee, the Lessee shall not be required to indemnify such Indemnified Person for such penalties and interest.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES AND INSURANCE

7.1. Definition of Casualty Occurrence; Payments.

In the event that any Unit shall be or become lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever during the term of this Lease or any renewal term hereof or until such Unit is returned pursuant to § 14 or 17 hereof, or NAC's Purchase Price of any Unit shall have been refunded by the Builder pursuant to the terms of the patent indemnity therefore or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease or during any renewal term hereof or the Lessee shall have failed to make any improvement, alteration, replacement, modification or addition of or to any part of any Unit required by the Applicable Laws (as defined in § 10.1) which is not permitted by the first proviso in § 10.1 (each such occurrence being herein called a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the Interim Payment Date or on the next succeeding Rental Payment Date (or in the event that the term of this Lease has expired or will expire within 30 days after such notice, on a date within 30 days of such notice) ("Casualty Payment Date"), the Lessee shall pay to the Trustee a sum equal to the Casualty Value (as defined in § 7.5 hereof) of any such Unit as of such Casualty Payment Date, plus the rental in respect of such Unit accrued as of such Casualty Payment Date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to Builder of such Unit) the Trustee shall be entitled to recover possession of such Unit.

In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the term of this Lease, in which event the Lessee shall promptly and fully notify the Trustee with respect thereto and pay the Trustee, as the Casualty Value therefor, an amount equal to 28.590% of the Trustee's Purchase Price of such Unit. Following such payment, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value and any balance of such payments shall be the property of the Trustee. In the event such Unit shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then at the option of the Trustee (A) the Lessee shall dispose of such Unit as agent for the Trustee, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value, and the balance of such proceeds shall be promptly paid to the Trustee or (B) the Trustee may elect to hold or lease such Unit, but shall pay to the Lessee from the net proceeds from any subsequent lease or sale of such Unit an amount equal to the Casualty Value for such Unit, less any condemnation payments theretofore received by the Lessee with respect thereto. In the event such Unit shall be returned by the governmental entity following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Trustee in the manner provided in § 17 hereof.

In the case of a Casualty Occurrence, except as otherwise provided in the preceding paragraph, any payments received at any time by the Lessee from any governmental authority or other party as the result of such Casualty Occurrence shall be promptly paid to the Trustee for application pursuant to the first paragraph of this § 7.1 and all such payments and any other payments received at any time by the Trustee from any governmental authority or other party (other than insurance proceeds covered by § 7.7 and other than proceeds of any insurance which the Trustee shall have

maintained at its own expense in addition to the insurance required to be maintained by the Lessee pursuant to § 7.1) as the result of such Casualty Occurrence shall be applied as follows:

(i) so much of such payments as shall not exceed the payments of Casualty Value made in accordance with the terms hereof shall be applied in reduction of the Lessee's obligation to pay such Casualty Value to the extent not already paid by the Lessee, or, if already paid by the Lessee, shall be applied to reimburse the Lessee for its payment of such Casualty Value, unless a Default or an Event of Default shall have occurred and be continuing, in which case such amount shall be retained by the Trustee and shall be paid over to the Lessee when such Default or Event of Default shall cease to be continuing unless this Lease shall theretofore be declared in default; and

(ii) the balance, if any, of such payments remaining thereafter shall be paid to the Trustee.

7.2. Requisition by United States Government. In the event of the requisition for use by the United States Government of any Unit for a period which does not exceed the term of this Lease or for an indefinite period (except where deemed a Casualty Occurrence pursuant to the second paragraph of § 7.1 hereof), all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Trustee or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.3. Lessee Agent for Disposal. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after expiration of the Lease at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, and unless an Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Trustee.

7.4. Payments After Expiration of Lease. No

rental for any Unit shall accrue after the end of the term of this Lease or, if renewed, any renewal term thereof in respect of such Unit, notwithstanding the payment by the Lessee of a Casualty Value in respect of such Unit in accordance with § 7.1 hereof after the end of such term.

7.5. Amount of Casualty Value. The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall mean the sum of (A) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage set forth opposite such Casualty Payment Date in Table 1 of Appendix B hereto and (B) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage, if any, specified for the period during which the Casualty Occurrence occurs in Table 2 of Appendix B hereto; but in no event shall such amount be less than the Casualty Value (as defined in § 7.3 of the CSA) as of such Casualty Payment Date.

7.6. No Release. Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence and shall bear the risk of any Casualty Occurrence to any Unit from and after acceptance thereof by the Lessee hereunder.

7.7. Insurance To Be Maintained. (1) The Lessee (i) will at all times prior to the return of the Units to the Trustee and during the period during which such Units shall be stored at the cost and expense of the Lessee, at its own expense, cause to be carried and maintained public liability insurance for all claims for personal injury, death and property damage and (ii) cause to be carried and maintained property insurance covering loss or damage in respect of the Units at the time subject hereto of not less than the amount of the Casualty Value. Subject to the terms and conditions expressly set forth herein the Lessee will carry such insurance in such amounts, for such risks, with such deductibles and with such insurance companies of recognized responsibility (not affiliated with the Lessee and classified Class X or greater by Best's Insurance Reports, or equivalent thereto) as the Lessee deems prudent and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units and in any event consistent with prudent industry practice for corporations of established reputation; provided, however, that the Lessee will in any event carry public liability coverage in respect of the Units in an amount of not less than \$20,000,000 with a

deductible of not in excess of \$5,000,000 throughout the term of this Lease. The proceeds of any such insurance shall be payable to the Agent, the Owner, the Trustee and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to the Trustee, the Owner and (so long as there is no Event of Default hereunder) the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Trustee, the Owner and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds as their respective interests may appear, (iii) waive any right to claim any premiums or commissions against the Owner, the Trustee and the Agent, (iv) require that each property damage policy provide that all losses in excess of \$5,000 be adjusted by the Trustee and the Lessee jointly and to be paid directly to the Trustee and (v) shall expressly provide that all of the provisions thereof, except the limits of liability thereunder (which limits shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Lessee), shall operate in the same manner as if there were a separate policy covering each insured. Such policies shall provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee and the Agent, respectively), shall not give any insurer any right of subrogation or recovery against any of them, and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof. Nothing in this Lease shall restrict the right of the Owner or the Trustee to obtain or carry, and the Lessee shall not carry any insurance which would prevent the Owner or the Trustee from obtaining or carrying, at its

own cost and expense, separate property damage insurance in excess of the amount required to be carried by the Lessee pursuant to this § 7 or to retain for its own benefit the proceeds or payments with respect to such insurance.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall upon demand reimburse the Trustee for the cost thereof, together with interest thereon at the rate per annum specified in § 19 hereof.

7.8. Insurance Proceeds and Condemnation Payments.

If the Trustee shall receive (directly or from the Agent) any insurance proceeds or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Trustee shall pay the same to the Lessee up to an amount equal to the Casualty Value with respect to any Unit theretofore paid by the Lessee and any balance shall remain the property of the Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value and accrued rentals in respect of such Units to the Trustee. All insurance proceeds received by the Trustee (directly or from the Agent) in respect of any Unit not suffering a Casualty Occurrence and for which the Lessee has paid premiums shall be paid to the Lessee upon proof satisfactory to the Trustee that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. REPORTS

On or before March 31 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Trustee and the Agent an accurate statement stating (a) as at the preceding December 31 the total number, description and identification numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (b) that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof have been preserved or replaced and (c) that the Lessee is

in compliance under this Lease and has performed or has caused to be performed the required maintenance of the Units and that there is no Event of Default or no event has occurred which with notice or lapse of time or both would constitute an Event of Default. The Trustee, the Agent and the Owner shall each have the right by their agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as they may request during the continuance of this Lease.

§ 9. DISCLAIMER OF WARRANTIES

THE TRUSTEE DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE UNITS OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Trustee and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against the Builder under the provisions of Items 2 and 3 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units.

The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against the Trustee or the Agent based on any of the foregoing matters.

§ 10. LAWS AND RULES

10.1. Compliance. The Lessee agrees, for the benefit of the Trustee and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all statutes, laws, rules, codes, orders, regulations and ordinances of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation, maintenance or use of the Units (all such laws and rules to such extent being herein called "Applicable Laws"), and in the event that the Applicable Laws require any alteration, replacement, improvement, modification or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, the Lessee is permitted to make any improvement, alteration, modification, replacement or addition to any Unit that is not readily removable without causing material damage to the Unit only if and to the extent such improvement, alteration, modification, replacement, or addition is made (i) in order to comply with the health, safety or environmental standards of any Government or governmental authority having relevant jurisdiction over the Unit or (ii) pursuant to the prior written consent of the Trustee, and provided further, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA.

10.2. Reports by Trustee. The Lessee agrees to prepare and deliver to the Trustee and the Agent within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority

by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 11. MAINTENANCE

11.1. Units in Good Operating Order. The Lessee, at its own cost and expense, will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition for use in grain service, ordinary wear and tear from noncorrosive use excepted, and eligible for interchange in accordance with the Applicable Laws and in the same condition as other similar equipment owned or leased by the Lessee. The Lessee shall comply with such operating or repair standards and periodic maintenance inspections as are required to enforce warranty claims against the Builder or which are otherwise established by the Builder as normal operation and maintenance procedures for the Units.

11.2. Additions and Accessions. (1) Except as set forth in §§ 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units as are readily removable without causing material damage to the Units (and do not adversely and materially affect the value of the Units) which shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with § 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit, whether or not installed were added to such Unit in contravention of § 11.2(1) hereof, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit in railroad interchange by any Applicable Law, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the CSA) shall immediately be vested in the Trustee and the Agent as their respective interests may appear in the Unit.

§ 12. INDEMNIFICATION

12.1. Indemnified Persons. The Lessee shall pay, and shall protect, indemnify and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in the Trust Agreement) and their respective successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all actions, causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person including any or all liabilities, losses, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the counsel fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA, the Participation Agreement, or any agreement contemplated hereby or thereby or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent and other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Persons) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, ordinance or restriction affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement; (all of such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 12.1, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified

Matter by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 12.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation counsel fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to pay any indemnification under this § 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or any state or of any political subdivision thereof or any state or local taxing authority (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Trustee each agree to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 12, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified Person) in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter after reduction for any Federal, state or local taxes payable with respect to such payments shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made; provided that such Indemnified Person shall have been at such time fully indemnified by such payments. Nothing in this § 12.1 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

12.2. Indemnification of NAC and the Builder.

The Lessee agrees to indemnify, protect and hold harmless NAC and the Builder as third-party beneficiaries hereof

from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC or the Builder because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by the Builder or NAC or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder or NAC which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to NAC or the Builder of any claim known to the Lessee from which liability may be charged against it hereunder.

12.3. Survival. The indemnities contained in this § 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to delivery of the Units in the manner provided by § 17 after the storage period provided therein or, if any Event of Default shall exist, prior to any sale or lease of the Units to a third person and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 12 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§ 13. DEFAULT

13.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal thereof, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 16 hereof, and such default shall continue for 10 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any interest herein or of the right to possession of any Unit or shall fail to carry and maintain insurance on or with respect to the Units required by § 7.7 hereof;

(C) default shall be made in the performance of any other covenant, condition or agreement on the part of the Lessee contained herein, in the Participation

Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement) and such default shall continue for 30 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that it be remedied;

(D) any representation or warranty made by the Lessee herein or in the Participation Agreement or in any certificate or statement furnished to the Trustee or the Owner pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of making thereof;

(E) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees;

(F) any other proceeding shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency law or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a

court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceeding in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers;

(G) any obligation of the Lessee for the payment of borrowed money the aggregate outstanding principal amount of which is in excess of \$100,000 (with respect to either principal or interest), or, for the deferred purchase price of property costing, in the aggregate, over \$100,000 or for the payment of rent or hire under any lease or leases of land, easements, machinery, equipment or other facilities having a term of more than one year and aggregate minimum annual rentals thereunder in excess of \$100,000, shall not be paid when the same becomes due (after taking into account any grace periods), or the Lessee shall default in the performance of any other term, agreement or condition contained in any agreement or instrument to which the Lessee is a party relating to any such obligation for borrowed money of the Lessee or relating to any such obligations of the Lessee for the deferred purchase price of property or the payment of rent or hire under any lease or leases, if, in any such case, the effect of such failure to pay or default is to cause or permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity; or

(H) final judgment for the payment of money, which together with other outstanding final judgments for the payment of money exceed an aggregate of \$50,000, shall be rendered against the Lessee and the same shall remain undischarged and shall not be effectively bonded or stayed for a cumulative period of 45 days thereafter;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and sell at public or private sale, or otherwise dispose of, hold, keep idle, operate or lease to others, as the Trustee in its sole discretion may determine, all or any such Units free from any right of the Lessee to use the Units for any purposes whatever; provided, however, that if the Trustee elects to sell such Units it shall provide 10 days' notice to the Lessee of such sale and such sale shall be conducted in a commercially reasonable manner; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as liquidated damages for loss of the bargain and not as a penalty whichever of the following amounts that the Trustee, in its sole discretion shall specify, (i) a sum with respect to each Unit which represents (x) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in each case on the basis of a 10.25% per annum discount, compounded monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated or, if such Unit is sold, the net proceeds of the sale plus (y) any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (ii) an amount equal to the excess, if any,

of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the sales value of such Unit at such time or over the amount which is the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in such case on the basis of a 10.25% per annum discount, computed monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated plus, in each case, any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale in lieu of the payment required by clause (ii) above.

13.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.3. Notice of Event of Default. The Lessee agrees to furnish written notice to the Trustee, the Owner and the Agent promptly upon any responsible officer becoming

aware of any condition which constitutes an Event of Default under this Lease or which after notice or lapse of time or both would constitute such an Event of Default, specifying such condition and the nature and status thereof. A "responsible officer" shall mean any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of the subject matter of the particular covenant, agreement or obligation of the Lessee contained in this Lease and the requirements of this Lease with respect thereto.

13.4. Costs and Expenses, etc. In addition, the Lessee shall be liable, except as otherwise expressly provided in § 13.1, for any and all unpaid rent and other payments due hereunder or under any of its Documents before, during or after the exercise of any of the foregoing remedies and for any legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, or the enforcement of any of the provisions hereof, including all costs and expenses incurred in connection with the return of the Units in accordance with § 14.1 or in placing the Units in the condition required by § 14.1.

§ 14. RETURN OF UNITS UPON DEFAULT

14.1. Return of Units. If this Lease shall terminate pursuant to § 13 hereof or Article 16 of the CSA, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, and shall have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 11 hereof, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been inter-

changed or which may have possession thereof to return the Unit or Units) and place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported to any reasonable place as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as provided above shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in the manner set forth in § 11.1 hereof and insured in the manner required by § 7.7 and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee.

In the event any Unit is not assembled, delivered and stored as provided above within 30 days after such termination, the Lessee shall in addition pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which the percentage of the Purchase Price of such Unit for each such day (obtained by dividing the basic lease rate as set forth in § 3.1 hereof for each monthly payment for such Unit by 30) exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this Section.

14.2. Trustee Appointed Agent of Lessee. The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit.

§ 15. ASSIGNMENT, POSSESSION AND USE

15.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee. The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment.

15.2. Lessee's Rights To Use the Units. (1) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments as defined in the Lease Assignment in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the CSA. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and the Agent, except as provided in paragraph (2) of this § 15.2; and the Lessee shall not part with the possession or control of or allow to pass out of its possession or control any of the Units without the prior written consent of the Trustee and the Agent, except to the extent permitted by the provisions of said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Agent or resulting from claims against the Trustee or the Agent not related to the ownership of the Units, upon or with respect to any Unit or the interest of the Trustee, the Agent or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises. The Lessee shall use the Units primarily in grain or other noncorrosive service in the continental United States.

(2) So long as no Event of Default exists hereunder and no event of default exists under the CSA (subject to the provisions of subsection (1) of § 15.2 hereof), the Lessee shall be entitled to the possession and use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all

the terms and conditions of this Lease and the CSA; provided, however, that the Lessee shall not permit the assignment, sublease or use of any Unit in Mexico or in any other place predominantly outside the United States within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee assign or sublease to or permit the sublease or use of the Units by any person in whose hands such Units would not qualify as "section 38 property" within the meaning of said Code; provided further that the Lessee shall not assign, sublease or otherwise transfer, whether by operation of law or otherwise, any Unit without the prior written consent of the Trustee and Agent, except that no such consent shall be required (a) for any sublease under which the subtenant is at the time of execution and delivery of such sublease a corporation with an equipment trust certificate or bond credit rating of "A" or better or its equivalent as rated by either Moody's Investors Services, Inc., or Standard and Poors Corporation, (b) for any sublease with a term of 180 days or less or (c) for any sublease to a wholly owned subsidiary of the Lessee. Any consent given by the Trustee and the Agent to any assignment, sublease or other transfer shall apply only to the specific transaction thereby authorized. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Agent under the CSA Assignment and the Trustee under this Lease in respect of the Units covered by such sublease and shall not release the Lessee from its obligations hereunder.

15.3. Merger, Acquisition or Consolidation.

Nothing in this § 15 shall be deemed to restrict the right of the Lessee to assign its leasehold interest under this Lease or possession of the Units to any corporation incorporated under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety and which shall have duly assumed the obligations of the Lessee hereunder, provided that such assignee will not, upon the effectiveness thereof, be in default under any provision of this Lease.

§ 16. RENEWAL OPTION

16.1. Renewal for Successive Period. Prior to or simultaneous with the execution and delivery of this Lease,

the Trustee will enter into an agreement ("Option Agreement") with Tiger Financial Services, Inc. ("TFS"), pursuant to which the Trustee will grant to TFS the option to lease (subject to the rights of the Lessee to sublease provided hereafter), all but not fewer than all of the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option Agreement and acceptable to the Trustee. All obligations of TFS with respect to such lease shall be unconditionally guaranteed by Tiger Leasing Group (TLG). No option may be exercised if at the time of exercise any event described in paragraph 13.1(E) or 13.1(F) shall have occurred and be continuing with respect to TFS or TLG. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Trustee (or, if TFS's option is exercised, to TFS) not less than 180 days nor more than 270 days prior to the end of the original term of this Lease elect to extend such original term of this Lease (or if TFS's option is exercised, to sublease the Units), upon substantially all the terms and conditions hereof (other than the payment of rent), in respect of all but not less than all the Units then covered by this Lease for a period of five years commencing on the scheduled expiration of such original term of this Lease, at a Fair Market Rental (as defined in § 16.2 hereof) payable, in arrears, in monthly payments on the day such rentals were payable for the Units during the original term in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be determined by mutual consent of the Trustee and the Lessee, failing which, such Casualty Value shall be determined in the manner set forth for the determination of Fair Market Rental in § 16.2(2) hereof.

16.2. Determination of Fair Market Rental. (1) The Fair Market Rental for the extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, after 50 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Trustee and the Lessee are unable to agree

upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 days after such notice is given, each party shall appoint an independent appraiser within 15 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 45 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If 3 appraisers shall be appointed, the determination of the appraiser which differs most from the other 2 appraisers shall be excluded, the remaining 2 determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

§ 17. RETURN OF UNITS

As soon as practicable on or after the expiration of the original or any extended term of this Lease with respect to any Unit, and in any event not later than 30 days thereafter, the Lessee will, at its own cost and expense, deliver possession of such Unit to the Trustee upon such storage tracks as the Trustee may reasonably designate with NAC's consent or, in the

absence of such designation, as NAC may select, and NAC will permit the Trustee to store such Unit, at NAC's expense, on such tracks for a period not exceeding 45 days. The Lessee shall transport the same upon disposition of the Units, at any time within such 45-day period, to any reasonable place or to any connecting carrier for shipment, all as directed by the Trustee, the movement of such Units shall be at the expense and risk of the Lessee and the storage shall be at the risk of the Lessee. The Trustee shall give 90 days prior notice to NAC of its intent to store the Equipment. During any such storage period the Lessee and NAC will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to or the death of any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and have removed therefrom any such device not so considered an accession. During any such storage period the Lessee shall maintain and insure the Units in such manner as the Lessee normally maintains and insures similar units of railroad equipment owned or leased by it in similar storage circumstances, but in any event in compliance with §§ 7.7, 10 and 11 hereof. All amounts earned with respect to the Units after the date of expiration of the Lease shall belong to the Trustee and, if received by the Lessee, shall promptly be turned over to the Trustee. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. In the event any Unit is not assembled, delivered, stored and transported as provided above upon termination of this Lease, the Lessee shall pay to the Trustee the amount set forth in § 14.1 hereof.

§ 18. FILING

The Lessee, at its own expense, will cause this Lease, the CSA, the CSA Assignment and the Lease Assignment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, and will undertake the filing required of the Trustee under the CSA. The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the Units or for the purpose of carrying out the intention of this Lease, the CSA, the CSA Assignment and the Lease Assignment; and the Lessee will promptly furnish to the Agent and the Trustee evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Agent and the Trustee.

§ 19. INTEREST ON OVERDUE RENTALS

The Lessee shall promptly pay, to the extent legally enforceable, an amount equal to interest at 11.25% per annum on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 20. TRUSTEE'S RIGHT TO PERFORM FOR LESSEE

If the Lessee fails to perform any of its agreements contained herein, the Trustee may upon notice to the Lessee perform such agreement, and the amount of the reasonable cost and expenses of the Trustee incurred in connection with such performance, together with interest on such amount at 11.25% per annum, shall be payable by the Lessee upon demand, except as otherwise provided in this Lease. No such performance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee or any assignee of the Trustee against the Lessee hereunder.

§ 21. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been

given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessee, at P.O. Box 19148, Kansas City, Missouri 64141, attention of General Traffic Manager, with copies to Widett, Slater & Goldman, P.C., 60 State Street, Boston, Massachusetts 02109, attention of Marshall Tutun, Esq.;

(b) if to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Michael A. Goodman, Vice President, with copies to the Owner at 10th and Baltimore Streets, Kansas City, Missouri 64183, attention of Neil T. Douthat, Vice President;

or addressed to any party at such other address as such party shall hereafter furnish to any other party in writing.

§ 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

§ 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Indemnity Agreement, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Trustee and the Lessee.

§ 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto other than the Owner, the Agent, the Investors, NAC, the Builder and the permitted successors and assigns of such parties, and this instrument

shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid.

§ 25. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original and all other counterparts shall be deemed duplicates hereof. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 26. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 27. IMMUNITIES; NO RECOURSE

27.1. No recourse shall be had in respect of any obligation due under this Lease or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

27.2. Each and all of the representations, warranties, agreements, undertakings and covenants herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, undertakings and covenants by said institution or for the purpose or with the intention of binding said institution personally but are made

and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as Trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

§ 28. AGREEMENTS FOR BENEFIT OF OWNER
AND TRUSTEE'S ASSIGNS

All rights of the Trustee hereunder (including but not limited to its rights under §§ 6, 7, 9, 12, 13, 14 and 17 and the right to receive the rentals and other amounts payable under this Lease but excluding any amounts of indemnity payable to the Trustee in its individual capacity) shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Trustee's assigns (including the Agent).

Whenever the term Trustee is used in this Lease, it shall apply to the Trustee and any assignee of the Trustee (including the Agent so long as any CSA Indebtedness under the CSA or interest thereon shall remain unpaid or any other obligation thereunder be continuing).

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

SEABOARD ALLIED MILLING
CORPORATION,

[Corporate Seal]

by _____

Attest:

Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

STATE OF _____,)
) ss.:
COUNTY OF _____,)

On this day of September 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

[Notarial Seal]

My Commission expires

Notary Public

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
to me personally known, who, being by me duly sworn, says
that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF
CHICAGO, a national banking association, that one of the
seals affixed to the foregoing instrument is the seal of said
national banking association, that said instrument was signed
and sealed on behalf of said national banking association by
authority of its Board of Directors and he acknowledged that
the execution of the foregoing instrument was the free act
and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX A TO LEASE

Units of Railroad Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
100-ton, 4,820 cubic foot 3 hopper, gravity load/unload covered hop- per grain cars	LO	1147	Butler, Pa.	150	SAMX 3100- 3249	\$46,742.67	\$7,011,400.50	Sept.-Oct. 1980 at or near Butler, Pa.

APPENDIX B TO LEASE

Casualty ValuesTable 1

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
Interim Payment	106.4618		
1	106.4618	33	109.6067
2	106.9061	34	109.5496
3	106.9499	35	109.4924
4	109.5390	36	109.2355
5	109.7690	37	102.7311
6	109.9864	38	102.6564
7	109.4784	39	102.5728
8	109.6614	40	103.3802
9	108.7471	41	103.2858
10	108.8819	42	103.1866
11	109.0172	43	102.8670
12	108.6317	44	102.7484
13	108.7446	45	102.0857
14	108.8578	46	101.9426
15	108.9233	47	101.7985
16	110.6474	48	101.4925
17	110.7387	49	101.3324
18	110.8252	50	101.1711
19	110.4429	51	101.0017
20	110.5064	52	101.2816
21	109.7273	53	101.1017
22	109.7605	54	100.9168
23	109.7944	55	100.6633
24	109.4796	56	100.4610
25	109.4954	57	99.8910
26	109.5118	58	99.6670
27	109.5187	59	99.4413
28	110.5834	60	99.1693
29	110.5793	61	92.4989
30	110.5705	62	92.2566
31	110.2894	63	92.0069
32	110.2595	64	92.1597

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
65	91.8998	103	71.1479
66	91.6351	104	70.6953
67	91.3112	105	70.1315
68	91.0311	106	69.6711
69	90.4193	107	69.2068
70	90.1208	108	68.7397
71	89.8198	109	68.2696
72	89.4771	110	67.7967
73	89.1631	111	67.3209
74	88.8465	112	66.8795
75	88.5232	113	66.3978
76	88.3830	114	65.9130
77	88.0504	115	65.4252
78	87.7129	116	64.9344
79	87.3680	117	64.4030
80	87.0175	118	63.9060
81	86.4701	119	63.4058
82	86.1046	120	62.9025
83	85.7359	121	62.3960
84	85.5618	122	61.8864
85	78.5519	123	61.3734
86	78.1689	124	60.8572
87	77.7803	125	60.3377
88	77.5850	126	59.8149
89	77.1874	127	59.2887
90	76.7860	128	58.7592
91	76.3807	129	58.2263
92	75.9721	130	57.6899
93	75.3610	131	57.1500
94	74.9433	132	56.6067
95	74.5261	133	56.0598
96	74.1032	134	55.5094
97	73.6768	135	54.9554
98	73.2467	136	54.3977
99	72.8129	137	53.8365
100	72.4828	138	53.2715
101	72.0416	139	52.7029
102	71.5967	140	52.1305

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
141	51.5543
142	50.9743
143	50.3905
144	49.8042
145	49.2128
146	48.6173
147	48.0214
148	47.4225
149	46.8170
150	46.2081
151	45.6020
152	44.9976
153	44.3978
154	43.8028
155	43.2027
156	42.6046
157	42.0086
158	41.4076
159	40.8087
160	40.2121
161	39.6105
162	39.0075
163	38.4104
164	37.8159
165	37.2276
166	36.6456
167	36.0589
168	35.4751
169	34.8945
170	34.3091
171	33.7270
172	33.1481
173	32.5647
174	31.9804
175	31.4037
176	30.8306
177	30.2654
178	29.7082
179	29.1465
180	28.5909 and thereafter

* As defined in Section 4.1 of the CSA.

Table 2

<u>Period</u>	<u>Percentage of Trustee's Purchase Price</u>
From the date the Unit is placed in Service within the meaning of section 46 of the Internal Revenue Code of 1954, as amended ("Placed in Service"), to and including the anniversary in 1983 of the Date the Unit is Placed in Service.	19.2901%
From the anniversary of the date the Unit is Placed in Service in 1983 to and including such anniversary date in 1985.	12.8601
From the anniversary of the date the Unit is Placed in Service in 1985 to and including such anniversary date in 1987.	6.4300

ANNEX D
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of September 1, 1980

Between

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof
with The First National Bank of Kansas City,

and

LA SALLE NATIONAL BANK,
as Agent.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of September 1, 1980 ("Lease Assignment"), between EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) and North American Car Corporation ("NAC") providing for the sale to NAC by the Builder and the conditional sale to the Trustee by NAC of the units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Trustee thereunder.

SEABOARD ALLIED MILLING CORPORATION ("Lessee") and the Trustee have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

The Trustee proposes to assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Trustee under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Trustee hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Trustee under the CSA, all the Trustee's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Trustee in its individual capacity or to the Owner), including without limitation the immediate right to receive and collect all rentals, profits and other sums payable to the Trustee by the Lessee pursuant to the provisions of the Lease, whether as rent,

casualty payment, indemnity, liquidated damages or otherwise (such moneys being herein called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to take any other action which the Trustee is or may become entitled to take under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Trustee or as its attorney to demand, sue for and collect any and all Payments to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSA and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee at such address as may be specified to the Agent in writing, and such balance shall be retained by the Trustee. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Trustee at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Trustee shall not affect the obligations of the Trustee hereunder or under the CSA.

2. This Lease Assignment is executed only as security and, therefore, the execution and delivery of this Lease Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Trustee under the Lease. Notwithstanding this Lease Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against the Trustee or persons other than the Agent.

3. The Trustee will faithfully perform each obligation, covenant and agreement which the Lease provides

is to be performed by the Trustee and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, modification or termination of the Lease without the Agent's consent shall be void.

4. The Trustee hereby constitutes the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee or otherwise), to demand and receive all Payments due and to become due under or arising out of the Lease to which the Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Trustee under the CSA, this Lease Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Trustee. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Trustee, in its individual capacity, will pay and discharge all claims, liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Trustee or its successors and assigns (other than the Agent) and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not arising out of the interest in the Equipment, the administration of the Trust Estate, the transactions contemplated by the CSA or the Lease (but, to the extent it receives funds for such purpose from the Owner, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) which if unpaid

might become a claim, lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Trustee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent, adversely affect the interest of the Agent hereunder.

7. The Trustee will from time to time execute, acknowledge and deliver any and all further instruments reasonably requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Lease Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Agent.

11. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Trustee to the Agent by this Lease Assignment, except the right to receive and apply the Payments as provided in Section 1 hereof, and the Trustee may exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges or remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent; provided, however, that notwithstanding the existence of an event of default (as defined in the CSA) the Agent shall not amend or supplement the Lease without the consent of the Trustee if the effect thereof is to reduce the obligations of the Lessee to the Trustee or the Owner under the Lease.

12. Each and all of the representations, warranties, agreements, covenants and undertakings in this Lease Assignment made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Lease Assignment is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, agreement, covenant or undertaking herein of the Trustee (except as provided in Paragraph 6 hereof), either expressed or implied (except for wilful misconduct or gross negligence), all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent making claim hereunder may look to said Trust Estate for satisfaction of the same.

13. This Lease Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Lease Assignment is dated the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

LA SALLE NATIONAL BANK,
as Agent,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared ,
to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared ,
to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), the lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease directly to La Salle National Bank, as agent ("Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, to the attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Agent);

(2) the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Trustee; and the Agent shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(3) the Lease shall not, without the prior written consent of the Agent, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

Dated as of September 1, 1980

SEABOARD ALLIED MILLING
CORPORATION,

by _____

[Corporate Seal]

Attest:

Secretary

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1980

Among

PULLMAN INCORPORATED (Pullman Standard Division),

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement dated
as of the date hereof with
The First National Bank of Kansas City

10.25% Conditional Sale, Indebtedness Due 1995

[Covering 150 Covered Hopper Cars]

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of September 1, 1980, among PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation ("Builder"), NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NAC" or "Vendor" as the context may require, as set forth in Article 1 hereof), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Builder has agreed to construct, sell and deliver to NAC, and NAC has agreed to purchase from the Builder and conditionally sell to the Trustee, subject to the terms and conditions hereof, the railroad equipment described in Annex B hereto ("Equipment").

The Trustee is entering into a Lease of Railroad Equipment with SEABOARD ALLIED MILLING CORPORATION ("Lessee"), substantially in the form of Annex C hereto ("Lease").

LA SALLE NATIONAL BANK ("Agent") is acting as agent for certain investors (together with any assignees, "Investors") pursuant to a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1. ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Trustee's Purchase Price; Assignment. The parties hereto contemplate that the Trustee will furnish 31.00% of the Trustee's Purchase Price (as defined in Section 4.1 hereof) of the Equipment and that an amount equal to the balance of such Trustee's Purchase Price shall be paid to NAC by the Agent pursuant to an Agreement and Assignment dated as of the date hereof ("CSA Assignment") among the Builder, NAC and the Agent. NAC shall pay or have paid to the Builder NAC's Purchase Price

(as defined in Section 4.1 hereof) pursuant to the terms of Article 4 hereof.

1.2 Lease Assignment. As security for the payment and performance of all the Trustee's obligations hereunder, the Trustee will assign to the Agent certain of its right, title and interest of the Trustee in and to the Lease pursuant to an Assignment of Lease and Agreement substantially in the form of Annex D hereto ("Lease Assignment"), and the Lessee shall acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

1.3. Meaning of "Builder" and "Vendor". The term "Builder", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the units of Equipment to be constructed and sold hereunder and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means NAC before any assignment of its rights and, after any such assignment, both any assignee as regards any assigned rights and also any assignor as regards any rights retained by such assignor.

1.4. Purchase Order. All contractual arrangements between the Builder and NAC insofar as they relate to the Equipment ("Purchase Order") shall be superseded by this Agreement, and the obligations of the Trustee to purchase and pay for the units of Equipment shall be exclusively and completely governed by and subject to the conditions provided herein and in the Participation Agreement.

ARTICLE 2. CONSTRUCTION AND SALE

Pursuant to this Agreement, the Builder will construct the Equipment at its plant described in Annex B hereto and will sell and deliver the Equipment to NAC. NAC will (as hereinafter provided) purchase from the Builder and accept delivery of and immediately thereafter conditionally sell and deliver the Equipment to the Trustee. Each unit of Equipment shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, NAC, the Trustee, the Owner

and the Lessee (such specifications and any modifications called "Specifications"). The Builder represents and warrants to the Owner, Agent and NAC that (i) the design, quality and component parts of each unit of Equipment to be delivered by the Builder under this Agreement shall conform, on the date of delivery and acceptance thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, (ii) none of such component parts will be used components and (iii) such units will qualify as "new Section 38 property" and as property the "original use" of which will commence with the Lessee, within the meaning of Sections 48(b) and 167(c)(2) of the Internal Revenue Code of 1954, Treas. Reg. § 1.48-4(a) and (b) and Treas. Reg. § 1.167(c)-1(a)(2).

ARTICLE 3. INSPECTION AND DELIVERY

3.1. Place of Delivery. The Builder will deliver the units of Equipment to NAC and NAC will thereafter deliver such units to the Trustee at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to time by the Trustee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that the Builder and NAC shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Section 16.1 hereof or subsequent to the occurrence of any event of default as described in Section 16.1 hereof, so long as it shall be continuing, or of any event which with notice or lapse of time or both would constitute such an event of default. The Builder and NAC agree not to deliver any unit of Equipment hereunder (a) following receipt of written notice from the Trustee or the Agent of the commencement of any such proceedings or the occurrence of any such event, as aforesaid, or (b) until it receives notice from the Agent and the Trustee that the respective conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met.

3.2. Force Majeure. The respective obligations of the Builder and NAC as to time of delivery are subject to delays resulting from causes beyond the Builder's or NAC's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, differences with workmen, accidents, fires, floods, explosions, damage to plant, equipment or facilities or delays of carriers or subcontractors. NAC's obligation hereunder to deliver the Equipment to the Trustee is subject to the delivery of such Equipment by the Builder to NAC.

3.3. Exclusion of Equipment. Any unit of Equipment not delivered to the Trustee pursuant to Section 3.1 hereof and any unit of Equipment not delivered and accepted by the Trustee hereunder on or before October 31, 1980, shall be excluded from this Agreement, and NAC and the Trustee shall be relieved of their respective obligations hereunder to purchase and pay for such Equipment. If any unit of Equipment shall be so excluded, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the units of Equipment not so excluded herefrom. In the event of any such exclusion of any unit of Equipment herefrom pursuant to the foregoing provisions or pursuant to Section 4.1 hereof, or in the event the Trustee is relieved of its obligations hereunder to accept or pay for any or all units of Equipment in accordance with the terms and conditions hereof for any reason whatsoever, NAC will be obligated to accept all such units delivered by the Builder and to pay the full purchase price therefor when due, all in accordance with the terms of the Purchase Order, and the Trustee will transfer and assign to NAC all the right, title and interest of the Trustee in and to the units so excluded.

3.4. Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of NAC and the Trustee (who may be employees of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Prior to delivery

to NAC by the Builder and to the Trustee by NAC, each unit of Equipment shall be presented to an authorized inspector of NAC and the Trustee for inspection at the place specified for delivery of such unit, and if such unit conforms to the Specifications, requirements and standards applicable thereto, such authorized inspector shall execute and deliver to the Builder a certificate of acceptance ("Certificate of Acceptance") stating that such unit has been inspected and accepted on behalf of NAC and the Trustee and is marked in accordance with Article 10 hereof; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof. By § 2 of the Lease and by this Section 3.4, the Trustee and NAC are each appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) pursuant to § 2 of the Lease shall be deemed to be acceptance of such unit hereunder by the Trustee and NAC.

3.5. Builder's and NAC's Responsibilities After Delivery. Upon delivery to and acceptance by the Trustee of units of Equipment at the place specified for delivery, the Builder and NAC shall have no further responsibility for nor bear any risk of any damage to or the destruction or loss of any such unit; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof.

ARTICLE 4. PURCHASE PRICE AND PAYMENT

4.1. Meaning of "Trustee's Purchase Price" and "NAC's Purchase Price"; Exclusion of Units. The base price or prices per unit of Equipment to be paid by the Trustee to NAC are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as may be agreed to by NAC, the Trustee and the Lessee. The term "Trustee's Purchase Price" as used herein shall mean the base price or prices per unit as set forth in the invoice or invoices of NAC ("NAC's Invoices") delivered to the Trustee. The base price or prices per unit of the Equipment to be paid by NAC to the Builder as set forth in the Purchase Order are subject to such increase or decrease as provided in the Purchase Order or as otherwise may be agreed to by the Builder and NAC. The term "NAC's Purchase Price" as used herein shall mean the base price or prices per unit as so increased or decreased as set forth in the

Builder's invoice or invoices ("Builder's Invoices") delivered to NAC and, if NAC's Purchase Price is other than the base price or prices set forth in the Purchase Order, the Builder's invoice or invoices shall be accompanied by or have endorsed thereon the agreement or approval of NAC.

4.2. Settlement and Closing Dates. The Equipment shall be settled for in such number of groups of units of Equipment delivered to and accepted by NAC and the Trustee, respectively, as is provided in Item 2 of Annex A hereto. The term "Closing Date" with respect to any group of units shall be such date as is specified by the Lessee in accordance with Item 2 of Annex A hereto by four days' written notice thereof with the concurrence of the Trustee, the Agent, the Builder and NAC, but in no event shall such Date be later than October 31, 1980. Such notice shall specify the aggregate Trustee's Purchase Price of the Equipment to be settled for and a copy thereof shall be sent by the Lessee to NAC, the Builder, the Agent and the Trustee. The place of each closing shall be determined by mutual agreement among the parties hereto. At least three business days prior to any Closing Date, the Builder shall present the Builder's Invoice to NAC and NAC shall present NAC's Invoice to the Trustee and the Lessee for the Equipment to be settled for. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

4.3. Indebtedness of Trustee to Vendor. Subject to the terms of this Agreement and the satisfaction of the conditions set forth in the Participation Agreement, the Trustee hereby acknowledges itself to be indebted to the Vendor in the amount of the aggregate Trustee's Purchase Price of the Equipment to be settled for and hereby promises to pay the same in cash or immediately available funds to the Vendor at such place as the Vendor may designate, as follows:

(a) on the Closing Date an amount equal to 31.00% of the aggregate Trustee's Purchase Price of the Equipment for which settlement is being made; and

(b) in 180 monthly installments, in arrears, as hereinafter provided, an amount equal to the aggregate Trustee's Purchase Price of the Equipment for which

settlement is being made less the aggregate amount paid or payable with respect thereto pursuant to subsection (a) of this Section (said portion of the aggregate Trustee's Purchase Price payable in installments called "CSA Indebtedness").

The obligation of the Trustee to pay to the Vendor the amount required to be paid pursuant to subparagraph (a) of this Section 4.3 with respect to any Group shall be subject to the receipt by the Trustee of copies of the documents required to be furnished by the Builder or NAC pursuant to paragraphs (a), (b), (c) and (d) of Section 4 of the CSA Assignment in respect of such Group.

4.4. Indebtedness of NAC to the Builder. NAC hereby acknowledges itself to be indebted or to have been indebted to the Builder in the amount of the aggregate NAC's Purchase Price of the Equipment to be settled for, and hereby promises to pay the same in full in cash to the Builder, on or prior to the Closing Date with respect to such Equipment, at such place in the United States, as the Builder may designate.

4.5. CSA Indebtedness; Payment Dates; Interest.
 (a) The installments of the CSA Indebtedness shall be payable monthly on the first day of each month, commencing on the first day of the month next succeeding the Interim Payment Date (as defined below) (each such date a "Payment Date"). The unpaid balance of the CSA Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of 10.25% per annum. Interest on the unpaid balance of the CSA Indebtedness shall be payable to the extent accrued on the first day of the month next succeeding the last Closing Date hereunder (the "Interim Payment Date"), and on each Payment Date thereafter. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto (subject to the provisions of Article 7 hereof) and the aggregate of such installments of principal and interest shall completely amortize the CSA Indebtedness at maturity. The Trustee will furnish to the Vendor and the Lessee a schedule showing the respective amounts of principal and interest payable on each Payment Date promptly after the last Closing Date, in such number of counterparts as shall be requested by the Vendor.

(b) If any of the dates for payment of principal

or interest is not a business day, such payment shall be payable on the succeeding business day.

4.6. Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on the Interim Payment Date shall be computed on an actual elapsed day, 365-day year, basis.

4.7. Penalty Interest. The Trustee will pay interest, to the extent legally enforceable, at the rate of 11.25% per annum ("Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

4.8. Currency of Payment. All payments provided for in this Agreement shall be made in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 16 hereof, the Trustee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due; provided, however, that the CSA Indebtedness may be prepaid as provided for in Article 4 hereof and the Trustee may also prepay all of the CSA Indebtedness, without penalty or premium, together with interest accrued to the date of payment, if an Event of Default shall have occurred under the Lease and the Vendor shall have given written notice to the Trustee that it intends to make a Declaration of Default (as defined in Article 16 hereof) and/or to terminate the Lease as provided in Article 16 hereof.

4.9. Liability of Trustee Limited to "Income and Proceeds from Equipment". Notwithstanding any other provision of this Agreement (including but not limited to any provision of Articles 16 and 17 hereof, except as set forth in this Section 4.9), but not limiting the effect of Article 23 hereof, the liability of the Trustee or any assignee of the Trustee for all payments to be made by it under this Agreement, with the exception only of the payments to be made pursuant to Section 4.3 (a) hereof (liability for such payments being limited to the extent funds are delivered to the Trustee by the Owner for such purpose) and the proviso to Section 13.3 hereof, shall not exceed an amount equal to and shall be payable only out of the "income and proceeds from the Equipment", and such payments shall be made by the Trustee only to the extent that the Trustee or any assignee of the Trustee shall have actually received sufficient "income and proceeds from the Equipment" to make such payments. Except as provided in the preceding sentence, the Trustee shall have

no liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Trustee or any assignee of the Trustee. As used herein the term "income and proceeds from the Equipment" shall mean:

(i) if one of the events of default specified in Section 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee or any assignee of the Trustee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences (as defined in § 7 of the Lease) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 13 or any other provision of the Lease (except any indemnity paid or payable to the Trustee or the Owner pursuant to § 6 or 12 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition; and

(ii) at any other time only that portion of the amounts referred to in clauses (a) and (b) of subsection (i) above (not including amounts paid by the Lessee to the Trustee as reimbursement of sums paid by the Trustee on account of prior defaults under subparagraph A of § 13.1 of the Lease) as are indefeasibly received by the Trustee or any assignee of the Trustee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Trustee or any assignee of the Trustee were required to be paid to it pursuant to the Lease or which exceeded any other

payments due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Equipment as provided for herein for the full unpaid Trustee's Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this Section, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this Section.

ARTICLE 5. SECURITY INTEREST IN EQUIPMENT

5.1. Vendor To Retain Security Interest; Accessions Are Part of Equipment. The Vendor hereby retains a security interest in the Equipment until the Trustee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Lessee as provided in this Agreement and the Lease. Any and all parts installed on and additions and replacements made to any unit of Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Trustee's Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the United States Department of Transportation, the Interstate Commerce Commission, the Association of American Railroads or any other applicable regulatory body shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used herein.

5.2. Obligations Upon Payment of CSA Indebtedness. Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Trustee's Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee at that time, will (a) execute an instrument

releasing its security interest in the Equipment and transferring such interest to the Trustee or upon its order, free of all claims, liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Trustee at its address referred to in Article 22 hereof, (b) execute and deliver at the same place, for filing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Equipment and (c) pay to the Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as provided therein. The Trustee hereby waives and releases any and all rights existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 6. TAXES

6.1. General Tax Indemnification. The Trustee agrees to pay and to indemnify and hold the Vendor harmless from all Taxes (as defined in § 6 of the Lease); excluding, however, (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Trustee has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that

the Trustee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Section 6.2 hereof.

6.2. Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Trustee. If reasonably requested by the Trustee in writing, the Vendor shall, upon receipt of any indemnity reasonably satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings or both. The Trustee may also contest, at its own expense, the validity, applicability or amount of such taxes in the name of the Vendor; provided that no proceedings or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor which shall not be unreasonably withheld. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Section 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3. Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Trustee under or arising out of this Article 6, the Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Trustee.

6.4. Survival. All of the obligations of the Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

ARTICLE 7. MAINTENANCE; CASUALTY OCCURRENCES

7.1. Maintenance. The Trustee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for interchange service.

7.2. Casualty Occurrences. In the event that any unit of Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease), the Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the Casualty Payment Date (as defined in § 7 of the Lease), the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as defined in Section 7.3 hereof) of such unit suffering a Casualty Occurrence as of such Casualty Payment Date, together with accrued interest thereon as hereinafter provided. The Trustee shall file or cause to be filed with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this Section shall be applied on the date of such payment to prepay the CSA Indebtedness, without penalty or premium, ratably in accordance with the unpaid balance of each installment, together with all interest accrued on the portion of the CSA Indebtedness being prepaid. The Trustee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendor and the Lessee may request, calculated as provided in Section 4.5 hereof.

7.3. Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Trustee's Purchase Price thereof referred to in Section 4.3(b) hereof remaining unpaid on the date as of which such Casualty Value shall be determined (after giving effect to the scheduled payment of principal and interest due and made on such date, with respect to such unit but without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this Section 7.3 and Section 7.4 hereof, each payment of the Trustee's Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Trustee's Purchase Price of such unit bears to the aggre-

gate original Trustee's Purchase Price of all the Equipment.

7.4. Obligations upon Payment of Casualty Value.

Upon payment by the Trustee to the Vendor of the Casualty Value of any unit of Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee, an appropriate instrument confirming such passage to the Trustee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Trustee may make clear upon the public records the title of the Trustee to such unit.

ARTICLE 8. INSURANCE; CONDEMNATION

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall pay such insurance proceeds or condemnation payments to the Trustee, after receipt by the Vendor of the Casualty Value of such unit, together with accrued interest thereon, unless an event of default shall have occurred and be continuing hereunder. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Trustee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9. REPORTS AND INSPECTIONS

On or before March 31 in each year, commencing with the year 1981, the Trustee shall cause to be furnished to the Vendor an accurate statement to the effect set forth in § 8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Trustee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. MARKING OF EQUIPMENT

The Trustee will cause each unit of Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor which previously shall have been filed with the Vendor and filed by or on behalf of the Trustee in all public offices where this Agreement shall have been filed. Except as aforesaid, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

ARTICLE 11. COMPLIANCE WITH LAWS

During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation the use, maintenance and operation of the Equipment) with all Applicable Laws (as defined in § 10 of the Lease) and in the event the Applicable Laws require any alteration, replacement or addition of or to any part on any unit of Equipment, the Trustee will or will cause any lessee to conform therewith at no expense to the Vendor; provided, however, that the Trustee or any lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement; provided, further, that the obligations hereunder will not be greater than those required in § 10.1 of the Lease.

ARTICLE 12. POSSESSION AND USE

12.1. Possession and Use of Equipment by Trustee. So long as an event of default shall not have occurred and be continuing under this Agreement, the Trustee shall be entitled to the possession of the Equipment and the use thereof from and after delivery of the Equipment by NAC to the Trustee, but only upon and subject to all the terms and conditions of this Agreement.

12.2. Lease Permitted; Lease Subordinate; No Amendment or Termination. The Trustee simultaneously is

leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights and shall, except as provided in § 15.2 of the Lease, be subject to the remedies of the Vendor under this Agreement. The Lease shall not be amended in any material respect or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 13. PROHIBITION AGAINST LIENS

13.1. Trustee To Discharge Liens. The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or any unit thereof equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2. No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3. Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Trustee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Trustee will, in its individual capacity, pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Trustee and its successors and assigns and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not

arising out of its interest of the Equipment, the administration of the Trust Estate, the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owner, including taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Trustee's interest in the Lease and the payments to be made thereunder, but the Trustee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in the Equipment or otherwise under this Agreement.

ARTICLE 14. INDEMNITIES AND WARRANTIES

14.1. Indemnification. The Trustee shall pay and shall protect, indemnify and hold harmless the Vendor, its successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all Indemnified Matters (as defined in § 12 of the Lease), except that the Trustee shall not be liable to the Builder in respect of any Indemnified Matter to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's warranties or patent indemnities referred to in Section 14.4 hereof. The Trustee shall be obligated under this Article 14, whether or not any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Trustee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Trustee may and, upon such Indemnified Person's request, will at the Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Trustee and approved by such Indemnified Person and, in the event of any failure by the Trustee to do so, the Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection

with such action, suit or proceeding. In the event the Trustee is required to make any payment under this Article 14, the Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Trustee agree to give each other written notice of any claim or liability hereby indemnified against promptly upon obtaining knowledge thereof. Upon the payment in full by the Trustee of any indemnity as contained in this Article 14, and provided that no event of default described in Section 16.1 hereof or other event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing, the Trustee shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from the Lessee as a result of any Indemnified Matter shall be paid over to the Trustee to the extent necessary to reimburse the Trustee for indemnification payments previously made by the Trustee in respect of such Indemnified Matter.

14.2. Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3. Trustee Not Released if Equipment Damaged or Lost. The Trustee will bear the responsibility for and risk of any damage to or destruction or loss of each unit of Equipment and shall not be released from its obligations hereunder in any such event.

14.4. Warranties and Patent Indemnities. The agreement of the parties relating to the Builder's warranties of material and workmanship and to patent indemnification are set forth in Items 3 and 4 of Annex A hereto. The patent indemnification agreements of the Builder shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner. NAC DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT DELIVERED TO THE TRUSTEE HEREUNDER, AND NAC DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF SUCH UNITS FOR ANY PARTICULAR PURPOSE, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT (EXCEPT AS PROVIDED IN SECTION 14.5 HEREOF), EITHER UPON DELIVERY THEREOF TO THE TRUSTEE OR OTHERWISE.

The Builder represents and warrants to NAC and the Trustee and their respective successors and assigns that at the time of delivery and acceptance of each unit of Equipment under this Agreement NAC will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

The Builder represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

14.5. Warranties of NAC. NAC represents and warrants to the Trustee that at the time of delivery and acceptance of each unit of Equipment under this Agreement the Trustee will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

NAC represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

ARTICLE 15. ASSIGNMENTS

15.1. Assignment by Trustee. The Trustee will not transfer the right to possession of any unit of the Equipment (except to the Lessee pursuant to the Lease) or sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2. Assignment by Vendor. All or any of the rights, remedies, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to or relieve the Builder or NAC from any of the obligations of the Builder to construct and deliver the Equipment to NAC or of NAC to deliver the Equipment to the Trustee in accordance herewith or to respond to their respective warranties and indemnities referred to in Articles 2 and 14 hereof, or relieve the Trustee of its obligations to NAC or NAC of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15 or any other obligation which, according to its terms or context, is intended to survive an assignment.

15.3. Notice of Assignment by Vendor. Upon any such assignment pursuant to Section 15.2 hereof, either the assignor or the assignee shall give written notice to the Trustee and the Lessee, together with a copy of such assignment, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee

under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

15.4. No Setoff Against CSA Indebtedness. The Trustee recognizes that this Agreement will be assigned to the Agent as provided in the CSA Assignment. The Trustee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Agent to the entire unpaid CSA Indebtedness in respect of the Trustee's Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Trustee arising out of any breach of any obligation of the Builder or NAC with respect to the Equipment or the manufacture, construction, delivery or warranty thereof or with respect to any indemnity herein contained or arising by reason of any other indebtedness or liability at any time owing to the Trustee by the Builder or NAC. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee against and only against the Builder or NAC, as the case may be.

ARTICLE 16. DEFAULTS

16.1. Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness. In the event that any one or more of the following events of default shall occur and be continuing:

(a) the Trustee shall fail to pay or cause to be paid in full any sum payable by the Trustee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) and such default shall continue for 10 days after the date such payment is due and payable; or

(b) the Trustee or the Lessee shall, for more than 30 days after the Vendor shall have given notice in writing demanding performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provi-

sions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) or any covenant, agreement, term or provision of the CSA Assignment, the Lease, the Lease Assignment or the Participation Agreement made expressly for the benefit of the Vendor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under the Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees; or

(d) any other proceeding shall be commenced by or against the Trustee, the Owner or the Lessee for any relief which includes or might result in any modification of the obligations of the Trustee hereunder, the Owner under the Trust Agreement or the Lessee under the Lease under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee,

the Owner or the Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers; or

(e) any Event of Default under the Lease other than an event referred to in § 13.1(A) of the Lease (or an Event of Default under § 13.1(C) or (D) of the Lease relating to the Indemnity Agreement) shall have occurred and be continuing; or

(f) an Event of Default under § 13.1(A) of the Lease shall continue for more than 12 consecutive monthly rental payment dates or shall have occurred on more than 18 such dates during any 5 years;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) cause the term of the Lease immediately upon such notice to terminate (subject to § 15.2 of the Lease); provided, however, that such termination shall not be in derogation of or impair the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under § 13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to sue for and recover damages provided for in § 13 of the Lease upon the occurrence of an Event of Default under the Lease, and/or (ii) declare ("Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire

unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee wherever situated, subject to the provisions of Articles 4 and 23 hereof. The Trustee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes, or with the giving of notice or lapse of time or both would constitute an event of default under this Agreement.

A copy of any notice given to the Trustee pursuant to this Section 16.1 shall also be given to the Lessee, but the failure to give any such notice shall not relieve the Lessee of any of its obligations under this Agreement or the Lease.

16.2. Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this Section, time is of the essence of this Agreement and no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17. REMEDIES

17.1. Vendor May Take Possession of Equipment. At any time during the continuance of a Declaration of Default and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, the Vendor may take or cause to be taken by its agent or agents immediate possession of the Equipment or one or more of the units thereof without liability to return to the Trustee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee, the Lessee or any other person and for such purpose may enter upon the premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any

available trackage and other facilities or means of the Trustee or the Lessee, subject to all mandatory requirements of due process of law.

17.2. Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment, the Trustee shall at its own expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place as directed by the Vendor.

During any storage period, the Trustee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and the Trustee acknowledges that upon application to any court of equity having competent jurisdiction the Vendor shall be entitled to a decree requiring specific performance hereof. The Trustee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of Equipment in any commercially reasonable manner.

17.3. Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Section 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor

shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Lessee or any other persons notified under the terms of this Section object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4. Vendor May Sell Equipment; Trustee's Right of Redemption. At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment or one or more of the units thereof free from any and all claims of the Trustee, the Lessee or any other party claiming from, through or under the Trustee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and

unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for and otherwise arranging for the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5. Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Trustee or the Lessee may bid for and become the purchaser of the Equipment or any unit thereof so offered for sale. The Trustee and the Lessee shall be given written notice of such sale not less than 10 days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Trustee to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee or the Lessee (except to the extent of surplus money received as provided in Section 17.7 hereof) and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6. Effect of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power

and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7. Deficiency or Surplus. If there shall remain any amount due to the Vendor under the provisions of this Agreement after applying all sums of money realized by the Vendor under the remedies herein provided, the Trustee shall pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Trustee (subject to the limitations set forth in Section 4.9 and Article 23 hereof). If there shall remain a surplus in the possession of the Vendor after applying as aforesaid all sums realized by the Vendor, such surplus shall be paid to the Trustee.

17.8. Expenses. The Trustee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

17.9. Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are sub-

ject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18. APPLICABLE STATE LAWS

18.1. Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall be ineffective as to such jurisdiction without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement, except such portion as relates to the sale of the Equipment by the Builder to NAC, shall be deemed to be a conditional sale and enforced as such.

18.2. Waiver of Notices. Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, including notice of intention to take possession of or to sell or lease the Equipment or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19. FILING

The Trustee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303; and the Trustee will from time to time perform any other act and will execute, acknowledge, deliver and file any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Trustee will promptly furnish to the Vendor certificates or other evidence of such filing satisfactory to the Vendor.

ARTICLE 20. REPRESENTATIONS AND WARRANTIES OF BUILDER AND NAC

The Builder hereby represents and warrants to NAC and the Trustee, and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by NAC and the Trustee, this Agreement is, insofar as the Builder is concerned, a legal, valid and binding instrument, enforceable against the Builder in accordance with its terms.

NAC hereby represents and warrants to the Builder and the Trustee and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by the Builder and the Trustee, this Agreement is, insofar as NAC is concerned, a legal, valid and binding instrument, enforceable against NAC in accordance with its terms. NAC agrees to perform its obligations under § 17 of the Lease.

ARTICLE 21. HEADINGS; MODIFICATION OF AGREEMENT

All article and section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

Except for the Participation Agreement and the Exhibits thereto, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Builder, NAC, the Vendor and the Trustee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Trustee and, if such variation or modification shall adversely affect their respective interests hereunder, the Builder and NAC. Any reference herein to this Agreement or any other agreement shall mean such agreement and all amendments and supplements hereto or thereto then in effect.

ARTICLE 22. NOTICES

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if deliv-

ered, telexed or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified address:

(a) to the Builder, at the address specified in Item 1 of Annex A hereto;

(b) to NAC, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President-Law;

(c) to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(d) to the Lessee at its address set forth in Paragraph 12 of the Participation Agreement;

(e) to the Agent, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(f) to any assignee of the Vendor or of the Trustee, at such address as may have been furnished in writing to the Trustee or the Vendor, as the case may be, by such assignee;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23. IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1. No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise; all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2. Satisfaction of Certain Covenants. The obligations of the Trustee under Section 7.1 and under

Articles 6, 9, 10, 11, 13 (except as set forth in Section 13.3 thereof), 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects by the Lessee's execution and delivery of the Lease. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

23.3. No Personal Liability of Trustee. Each and all of the representations, warranties, agreements, covenants and undertakings herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner (except as provided in Section 13.3 hereof) on account of any representation, warranty or agreement herein of the Trustee (except as aforesaid or in the case of gross negligence or wilful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor making claim hereunder may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section 23.3 shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Trustee (provided that neither the Trustee in its fiduciary or individual capacity nor the Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Trustee or the Owner) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right

to proceed against the Equipment or the Lessee under the Lease.

The Trustee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights, if any, arising out of the filing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof may be filed or in which any unit of Equipment shall be located and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25. EXECUTION

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

PULLMAN INCORPORATED
(Pullman Standard Division),

[Corporate Seal]

by

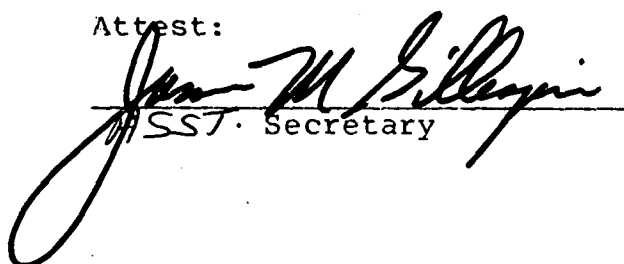
Attest:

Vice President-Freight Unit

Assistant Secretary

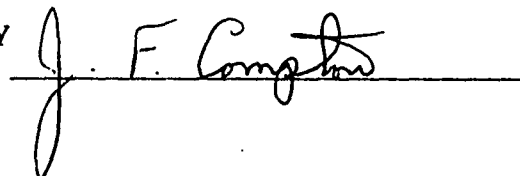
[Corporate Seal]

Attest:


SST. Secretary

NORTH AMERICAN CAR CORPORATION,

by



EXCHANGE NATIONAL BANK OF
CHICAGO, not in its individual
capacity but solely as Trustee
under a Trust Agreement dated
as of the date hereof with The
First National Bank of Kansas
City,

[Seal]

Attest:

by

Authorized Officer

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared ,
to me personally known, who, being by me duly sworn, says that he is the Vice President-Freight Unit of PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 29 day of September 1980, before me personally appeared J. F. Compton to me personally known, who, being by me duly sworn, says that he is Vice President of NORTH AMERICAN CAR CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Janet L. Santarelli
Notary Public

[Notarial Seal]

My Commission expires *Oct. 23, 1982.*

[illegible]

On this day of September 1980, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

SCHEDULE I

ALLOCATION SCHEDULE OF EACH \$1,000,000 OF CSA
INDEBTEDNESS PAYABLE IN (i) ONE INTERIM PAYMENT
OF INTEREST ONLY AND (ii) 180 MONTHLY
INSTALLMENTS OF PRINCIPAL AND INTEREST

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
(Interim Period)	*	*	-0-	\$1,000,000.00
1	8,541.67	8,541.67	.00	1,000,000.00
2	8,541.67	8,541.67	.00	1,000,000.00
3	8,541.67	8,541.67	.00	1,000,000.00
4	8,541.67	8,541.67	.00	1,000,000.00
5	8,541.67	8,541.67	.00	1,000,000.00
6	8,541.67	8,541.67	.00	1,000,000.00
7	9,978.40	8,541.67	1,436.73	998,563.27
8	9,978.40	8,529.39	1,449.01	997,114.26
9	9,978.40	8,517.02	1,461.38	995,652.88
10	9,978.40	8,504.54	1,473.86	994,179.02
11	9,978.40	8,491.95	1,486.45	992,692.57
12	9,978.40	8,479.25	1,499.15	991,193.42
13	9,978.40	8,466.44	1,511.96	989,681.46
14	9,978.40	8,453.53	1,524.87	988,156.59
15	11,517.39	8,440.50	3,076.89	985,079.70
16	11,517.39	8,414.22	3,103.17	981,976.53
17	11,517.39	8,387.72	3,129.67	978,846.86
18	11,517.39	8,360.98	3,156.41	975,690.45
19	11,517.39	8,334.02	3,183.37	972,507.08
20	11,517.39	8,306.83	3,210.56	969,296.52
21	11,517.39	8,279.41	3,237.98	966,058.54
22	11,517.39	8,251.75	3,265.64	962,792.90
23	11,517.39	8,223.86	3,293.53	959,499.37
24	11,517.39	8,195.72	3,321.67	956,177.70
25	11,517.39	8,167.35	3,350.04	952,827.66
26	11,517.39	8,138.74	3,378.65	949,449.01
27	11,517.39	8,109.88	3,407.51	946,041.50
28	11,517.39	8,080.77	3,436.62	942,604.88
29	11,517.39	8,051.42	3,465.97	939,136.91
30	11,517.39	8,021.81	3,495.58	935,643.33

* Interest accrued during period elapsed between the Closing Date (as defined in the Participation Agreement) and the Interim Payment Date.

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
31	11,517.39	7,991.95	3,525.44	932,117.89
32	11,517.39	7,961.84	3,555.55	928,562.34
33	11,517.39	7,931.47	3,565.92	924,996.42
34	11,517.39	7,900.84	3,616.55	921,359.87
35	11,517.39	7,869.95	3,647.44	917,712.43
36	11,517.39	7,838.79	3,678.60	914,033.83
37	11,517.39	7,807.37	3,710.02	910,323.81
38	11,517.39	7,775.68	3,741.71	906,582.10
39	11,517.39	7,743.72	3,773.67	902,808.43
40	11,517.39	7,711.49	3,805.90	899,002.53
41	11,517.39	7,678.98	3,838.41	895,164.12
42	11,517.39	7,646.19	3,871.20	891,292.92
43	11,517.39	7,613.13	3,904.26	887,388.66
44	11,517.39	7,579.75	3,937.61	883,451.05
45	11,517.39	7,546.14	3,971.25	879,479.80
46	11,517.39	7,512.22	4,005.17	875,474.63
47	11,517.39	7,478.01	4,039.38	871,435.25
48	11,517.39	7,443.51	4,073.88	867,361.37
49	11,517.39	7,408.71	4,108.68	863,252.69
50	11,517.39	7,373.62	4,143.77	859,108.92
51	11,517.39	7,338.22	4,179.17	854,929.75
52	11,517.39	7,302.52	4,214.87	850,714.86
53	11,517.39	7,266.52	4,250.87	846,464.01
54	11,517.39	7,230.21	4,287.18	842,176.83
55	11,517.39	7,193.79	4,323.60	837,853.23
56	11,517.39	7,156.66	4,360.73	833,492.30
57	11,517.39	7,119.41	4,397.98	829,094.32
58	11,517.39	7,081.85	4,435.54	824,658.78
59	11,517.39	7,043.96	4,473.43	820,185.35
60	11,517.39	7,005.75	4,511.64	815,673.71
61	11,517.39	6,967.21	4,550.16	811,123.53
62	11,517.39	6,928.35	4,589.04	806,534.49
63	11,517.39	6,889.15	4,628.24	801,906.25
64	11,517.39	6,849.62	4,667.77	797,238.48
65	11,517.39	6,809.75	4,707.64	792,530.84
66	11,517.39	6,769.53	4,747.86	787,782.98
67	11,517.39	6,728.98	4,788.41	782,994.57
68	11,517.39	6,688.08	4,829.31	778,165.26
69	11,517.39	6,646.83	4,870.56	773,294.70
70	11,517.39	6,605.23	4,912.16	768,382.54
71	11,517.39	6,563.27	4,954.12	763,428.42

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
72	11,517.39	6,520.95	4,996.44	758,431.98
73	11,517.39	6,478.27	5,039.12	753,392.86
74	11,517.39	6,435.23	5,082.16	748,310.70
75	11,517.39	6,391.82	5,125.57	743,189.13
76	11,517.39	6,348.04	5,169.35	738,015.78
77	11,517.39	6,303.88	5,213.51	732,802.27
78	11,517.39	6,259.35	5,258.04	727,544.23
79	11,517.39	6,214.44	5,302.95	722,241.28
80	11,517.39	6,169.14	5,348.25	716,893.03
81	11,517.39	6,123.46	5,393.93	711,499.10
82	11,517.39	6,077.39	5,440.00	706,059.10
83	11,517.39	6,030.92	5,486.47	700,572.63
84	11,517.39	5,984.06	5,533.33	695,039.30
85	11,517.39	5,936.79	5,580.60	689,458.70
86	11,517.39	5,889.13	5,628.26	683,830.44
87	11,517.39	5,841.05	5,676.34	678,154.10
88	11,517.39	5,792.57	5,724.82	672,429.28
89	11,517.39	5,743.67	5,773.72	666,655.56
90	11,517.39	5,694.35	5,823.04	660,832.52
91	11,517.39	5,644.61	5,872.78	654,959.74
92	11,517.39	5,594.45	5,922.94	649,036.80
93	11,517.39	5,543.86	5,973.53	643,063.27
94	11,517.39	5,492.83	6,024.56	637,038.71
95	11,517.39	5,441.37	6,076.02	630,962.69
96	11,517.39	5,389.47	6,127.92	624,834.77
97	11,517.39	5,337.13	6,180.26	618,654.51
98	11,517.39	5,284.34	6,233.05	612,421.46
99	11,517.39	5,231.10	6,286.29	606,135.17
100	11,517.39	5,177.40	6,339.99	599,795.18
101	11,517.39	5,123.25	6,394.14	593,401.04
102	11,517.39	5,068.63	6,445.76	586,955.28
103	11,517.39	5,013.55	6,503.84	580,451.44
104	11,517.39	4,958.00	6,559.39	573,892.05
105	11,517.39	4,901.97	6,615.42	567,273.63
106	11,517.39	4,845.46	6,671.93	560,601.70
107	9,623.77	4,788.47	4,835.30	555,766.40
108	9,623.77	4,747.17	4,876.60	550,889.80
109	9,623.77	4,705.52	4,918.25	545,271.55
110	9,623.77	4,663.51	4,960.26	541,011.29
111	9,623.77	4,621.14	5,002.63	536,005.66
112	9,623.77	4,578.41	5,045.36	530,963.30
113	9,623.77	4,535.31	5,088.46	525,874.84
114	9,623.77	4,491.65	5,131.92	520,742.92
115	9,623.77	4,448.01	5,175.76	515,567.16

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
116	9,623.77	4,403.80	5,219.97	510,347.19
117	9,623.77	4,359.22	5,264.55	505,082.64
118	9,623.77	4,314.25	5,309.52	499,773.12
119	9,623.77	4,268.90	5,354.87	494,418.25
120	9,623.77	4,223.16	5,400.61	489,017.64
121	9,623.77	4,177.03	5,446.74	483,570.90
122	9,623.77	4,130.50	5,493.27	478,077.63
123	9,623.77	4,083.58	5,540.19	472,537.44
124	9,623.77	4,036.26	5,587.51	466,949.93
125	9,623.77	3,988.53	5,635.24	461,314.69
126	9,623.77	3,940.40	5,683.37	455,631.32
127	9,623.77	3,891.85	5,731.92	449,899.40
128	9,623.77	3,842.89	5,780.88	444,118.52
129	9,623.77	3,793.51	5,830.26	438,288.26
130	9,623.77	3,743.71	5,880.06	432,408.20
131	9,623.77	3,693.49	5,930.28	426,477.92
132	9,623.77	3,642.83	5,980.94	420,496.98
133	9,623.77	3,591.75	6,032.02	414,464.96
134	9,623.77	3,540.22	6,083.55	408,381.41
135	9,623.77	3,488.26	6,135.51	402,245.90
136	9,623.77	3,435.85	6,187.92	396,057.98
137	9,623.77	3,383.00	6,240.77	389,817.21
138	9,623.77	3,329.69	6,294.08	383,523.13
139	9,623.77	3,275.93	6,347.84	377,175.29
140	9,623.77	3,221.71	6,402.06	370,773.23
141	9,623.77	3,167.02	6,456.75	364,316.48
142	9,623.77	3,111.87	6,511.90	357,804.58
143	9,623.77	3,056.25	6,567.52	351,237.06
144	9,623.77	3,000.15	6,623.62	344,613.44
145	9,623.77	2,943.57	6,680.20	337,933.24
146	9,623.77	2,886.51	6,737.26	331,195.98
147	9,623.77	2,828.97	6,794.80	324,401.18
148	9,623.77	2,770.93	6,852.84	317,548.34
149	9,623.77	2,712.39	6,911.38	310,636.96
150	9,623.77	2,653.36	6,970.41	303,666.55
151	11,517.39	2,593.82	8,923.57	294,742.98
152	11,517.39	2,517.60	8,999.79	285,743.19
153	11,517.39	2,440.72	9,076.67	276,666.52
154	11,517.39	2,363.19	9,154.20	267,512.32
155	11,517.39	2,285.00	9,232.39	258,279.93

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
156	11,517.39	2,206.14	9,311.25	248,968.68
157	11,517.39	2,126.61	9,390.78	239,577.90
158	11,517.39	2,046.39	9,471.00	230,106.90
159	11,517.39	1,965.50	9,551.89	220,555.01
160	11,517.39	1,883.91	9,633.48	210,921.53
161	11,517.39	1,801.62	9,715.77	201,205.76
162	11,517.39	1,718.63	9,798.76	191,407.00
163	11,517.39	1,634.93	9,882.46	181,524.54
164	11,517.39	1,550.52	9,966.87	171,557.67
165	11,517.39	1,465.39	10,052.00	161,505.67
166	11,517.39	1,379.53	10,137.86	151,367.81
167	11,517.39	1,292.93	10,224.46	141,143.35
168	11,517.39	1,205.60	10,311.79	130,831.56
169	11,517.39	1,117.52	10,399.87	120,431.69
170	11,517.39	1,028.69	10,488.70	109,942.99
171	11,517.39	939.10	10,578.29	99,364.70
172	11,517.39	848.74	10,668.65	88,696.05
173	11,517.39	757.61	10,759.78	77,936.27
174	11,517.39	665.71	10,851.68	67,084.59
175	11,517.39	573.01	10,944.38	56,140.21
176	11,517.39	479.53	11,037.86	45,102.35
177	11,517.39	385.25	11,132.14	33,970.21
178	11,517.39	290.16	11,227.23	22,742.98
179	11,517.39	194.26	11,323.13	11,419.85
180	11,517.39	97.54	11,419.85	-.00
	1,959,644.68	959,644.68	1,000,000.00	

ANNEX A
TO
CONDITIONAL SALE AGREEMENT

Information Relating to Building of Equipment

- Item 1: PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, having its address at 200 South Michigan Avenue, Chicago, Illinois 60604, attention of Vice President-Freight Unit.
- Item 2: The Equipment shall be settled for in no more than one Group of units of Equipment delivered to and accepted by NAC and the Trustee unless a greater number shall be agreed to by the parties hereto.
- Item 3: The Builder warrants to NAC, the Trustee, the Owner and the Lessee that the Equipment will be built in accordance with the Specifications and the standards and requirements set forth in Article 2 of this Agreement and warrants that the Equipment will be free from defects in material (except as to items or specialties incorporated therein and workmanship with respect thereto specified by the Lessee and not manufactured by the Builder) and workmanship under normal use and service. The Builder's obligation under this Item 3 is limited to making good at its plant any part or parts of any unit of the Equipment which shall within one year after the delivery of such unit to the Lessee be returned to the Builder with transportation charges prepaid and which the Builder's examination shall disclose to its satisfaction to have been defective; provided, however, that this warranty will be subject to the following limitations: (i) warranty coverage on unit running gear and contact points to unit structure is restricted to one year or 25,000 miles, whichever first occurs; and (ii) normal use and service is deemed to require inspection, adjustment, maintenance, and compliance with the Builder's written instructions and any applicable Federal, state or local laws or regulations. The foregoing warranty of the Builder is expressly in lieu of all other warranties to NAC, the Trustee, the Owner and the Lessee, express or implied, including any implied warranty of merchantability or fitness for a particular

purpose, except for its obligations or liabilities to NAC and the Trustee under Articles 2, 3, 4 and 14 of this Agreement and Item 4 below, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment. In no event shall the Builder be liable for special or consequential damages.

Builder further agrees that neither any inspection as provided in Article 3 of the CSA, nor any examination nor the acceptance of any unit of Equipment as provided in such Article 3, shall be deemed a waiver or modification of any of the rights under this Item 3.

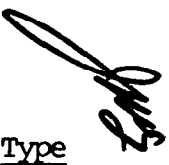

- Item 4: Except in case of designs, processes or combinations specified by the Lessee and not developed or purported to be developed by the Builder and articles and materials specified by the Lessee and not manufactured by the Builder, the Builder agrees to indemnify, protect and hold harmless NAC, the Trustee, the Owner and the Lessee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC, the Trustee, the Owner and the Lessee because of the use in or about the construction or operation of the Equipment or any unit hereof of any design, process, combination, article or material infringing or claimed to infringe on any patent or other right. The Lessee, as a condition to its being a third party beneficiary hereof, will indemnify, protect and hold harmless the Builder from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Builder because of the use in or about the construction or operation of the Equipment or any unit thereof of any design, process or combination specified by the Lessee and not developed or purported to be developed by the Builder or article or material specified by the Lessee and not manufactured by the Builder, which infringes or is claimed to infringe on any patent or other right. The Builder hereby transfers and assigns to the Lessee every claim, right and cause of action, to the extent legally

possible without impairing any claim, right or cause of action which the Builder has or hereafter shall have against the originator or seller or sellers of any design, process, combination, article or material specified by the Lessee and used by the Builder in or about the construction or operation of the Equipment or any unit thereof on the ground that any such design, process, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right, and the Builder further agrees to execute and deliver to the Lessee every such further assurance as may be reasonably requested by it to more fully effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Lessee, as a condition to its being a third party beneficiary hereof, will give notice to the Builder of any claim known to the Lessee on the basis of which liability may be charged against the Builder hereunder.

- Item 5: The Maximum Purchase Price referred to in Article 4 of this Agreement is \$7,011,400.50.
- Item 6: The Maximum Conditional Sale Indebtedness referred to in Article 4 of this Agreement is \$4,837,866.34.

ANNEX B
TO
CONDITIONAL SALE AGREEMENT

Units of Railroad Equipment

<u>Type</u>	 <u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
100-ton, 4, 750  cubic- foot 3 hopper, gravity load/unload covered hopper grain cars	LO	1147	Butler, Pa.	150	SAMX 3100- 3249	\$46,742.67	\$7,011,400.50	September- October, 1980 at or near Butler, Pa.

ANNEX C
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

LEASE OF RAILROAD EQUIPMENT

Dated as of September 1, 1980

Between

SEABOARD ALLIED MILLING CORPORATION,
Lessee,

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
The First National Bank of Kansas City,
Trustee.

[Covering 150 Covered Hopper Cars]

The rights and interests of the Lessor under this
Lease are subject to a security interest in favor
of LaSalle National Bank, as Agent for certain
institutional investors. The original of this
Lease is held by said Agent.

LEASE OF RAILROAD EQUIPMENT

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* This Table of Contents has been included for convenience only and does not form a part of this document.

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LEASE OF RAILROAD EQUIPMENT dated as of September 1, 1980, between SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) ("Builder") and NORTH AMERICAN CAR CORPORATION ("NAC") pursuant to which the Builder has agreed to manufacture, sell and deliver to NAC and NAC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Appendix A hereto (such units as are actually delivered to and accepted by the Trustee pursuant to the terms hereof and of the CSA, herein called the "Units").

NAC is assigning certain of its interests in the CSA pursuant to an Agreement and Assignment dated the date hereof ("CSA Assignment") to LA SALLE NATIONAL BANK, acting as agent ("Agent") for certain Institutional Investors ("Investors") under a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

The Lessee desires to lease the Units from the Trustee at the rentals and upon the terms and conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof ("Lease Assignment") and the Lessee will acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

In consideration of the rentals to be paid and the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. NET LEASE

This Lease is a net lease. Each of the Lessee's

obligations to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee or the Owner under this Lease or the CSA, including the Lessee's rights by subrogation thereunder to NAC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Trustee, the Owner or the Agent for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. Each delivery of a Unit to the Trustee under the CSA shall be deemed to be a delivery hereunder to the Lessee at

the point or points within the United States at which such Unit is so delivered to the Trustee. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Trustee under the CSA and on behalf of itself hereunder and execute and deliver to the Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, one interim rental payment on the Interim Payment Date (as defined in the CSA), and 180 consecutive monthly payments payable, in arrears, on the first date of each month (each such date a "Rental Payment Date"), commencing on the first day of the month next succeeding the Interim Payment Date. In respect of each Unit subject to this Lease, (a) the interim rental payment shall be in an amount equal to the product of the Trustee Purchase Price (as defined in Section 4.1 of the CSA) for each such Unit subject to this Lease multiplied by .02847% for each day elapsed from and including the Closing Date (as defined in Section 4.2 of the CSA) for such Unit to but not including Interim Payment Date, and (b) the 180 monthly rental payments shall each be in an amount equal to 0.79470% multiplied by the Trustee's Purchase Price of each such Unit.

Anything in the foregoing provisions of this § 3.1 to the contrary notwithstanding, it is agreed that the aggregate of the rentals payable pursuant to this § 3.1 on each Rental Payment Date shall in no event be less than the principal and interest payment due on each such date pursuant to Article 4 of the CSA.

3.2. Payment on Nonbusiness Day. If any Rental Payment Date referred to in § 3.1 hereof is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term

"business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

3.3. Instructions To Pay Agent and Trustee. Upon execution and delivery of the Lease Assignment and until the Agent shall have advised the Lessee in writing that all sums due from the Trustee under the CSA have been fully satisfied and discharged, the Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease (except indemnities or other payments payable to the Trustee in its individual capacity or the Owner which shall be paid directly to the Trustee or the Owner, as the case may be) to the Agent, for the account of the Trustee, in care of the Agent, with instructions to the Agent at LaSalle National Bank, 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Division (or at such other address as may be furnished in writing to the Lessee by the Agent) with a notation that payment is for credit to Seaboard Allied Milling Corporation Lease Financing Trust Account No. 61-5576-50-1 on behalf of Seaboard Allied Milling Corporation (a) first to apply such payments to satisfy the obligations of the Trustee under the CSA known to the Agent to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Trustee or to the order of the Trustee in immediately available funds at such place as the Trustee shall specify in writing. If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Agent in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied, the rentals due hereunder and any payments with respect to a Casualty Occurrence thereafter due pursuant to § 7 hereof shall be made to the Trustee in immediately available funds in the manner provided in § 3.4 hereof.

3.4. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for in § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made.

§ 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The

term of this Lease as to each Unit shall begin on the date of delivery and acceptance thereof pursuant to § 2 hereof and, subject to the provisions of §§ 7, 13 and 16 hereof, terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3.1 hereof. The obligations of the Lessee hereunder (including without limitation the obligations under §§ 6, 7, 10, 11, 12 and 17 hereof) shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of Lessee Subject to CSA. Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination) without affecting the indemnities which by the provisions of this Lease survive the termination of its term; provided, however, that, so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and Lessee shall be entitled to the rights of possession, use and assignment under § 15 hereof.

§ 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identification number set forth in Appendix A hereto or, in the case of any Unit not there listed, such number as shall be set forth in any supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and the

Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. GENERAL TAX INDEMNIFICATION

The Lessee assumes responsibility for and agrees to pay, protect, save, keep harmless and indemnify the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in Section 1.02 of the Trust Agreement dated as of the date hereof between the Owner and the Trustee) and their respective successors, assigns, agents and servants ("Indemnified Persons") against all license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings and other governmental charges of any nature whatsoever, including without limitation penalties, additions to tax and interest (all such license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings, governmental charges, penalties, additions to tax, and interest called "Taxes"), imposed on, incurred by or asserted against any Indemnified Person or any Unit in whole or in part thereof by any Federal, state, local or foreign government or taxing authority upon or with respect to a Unit or any part thereof on account of or with respect to this Lease or the CSA or the Participation Agreement or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture, construction, purchase, shipment, installation, acceptance or rejection of the Units or any portion thereof or the ownership, delivery, nondelivery, leasing, re-leasing, subleasing, possession, use, transfer of title, operation, maintenance, repair, condition, sale, return or other disposition of the Units or any portion thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom or the interest of the Owner in

the Trust Estate and under the Trust Agreement; provided, however, that there shall be no indemnification hereunder (i) for any Taxes imposed on or measured by any fees or compensation received by the Trustee or the Agent, or (ii) any Taxes payable solely as a result of the wilful misconduct or gross negligence of the Indemnified Person, or (iii) for any Federal taxes measured by the net income of the Indemnified Person, or (iv) for any state and local taxes measured by the net income of the Indemnified Person, and franchise and value added taxes which are in lieu of such net income taxes, but not excluding any such taxes to the extent they do not actually reduce such Taxes payable by the Owner to the state in which it has its principal place of business. The Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Person to the extent required by this § 6 within 30 days after receipt of a written request by such Indemnified Person for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question; provided, however, that if any Taxes are being contested in accordance with the sixth paragraph of this § 6, any payment shall be made at the time therein provided.

In the event that the Trustee shall become obligated to make any payment to the Builder, NAC or the Agent or otherwise pursuant to any corresponding provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Trustee as will enable the Trustee to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Taxes, other than with respect to Federal, state or local income tax on or any tax to the extent measured in whole or in part by any fees or compensation paid to the Trustee or the Agent, are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units; provided, however, that the Trustee shall, with respect to any state of the United States or political subdivision thereof, file such returns, statements and reports as shall be prepared by the Lessee relating to sales or use taxes and taxes, fees and charges on or measured by the Trustee's earnings or gross receipts arising from the Units or the value added by the Trustee thereto as the

Lessee shall determine are required to be filed, and the Trustee shall remit the amount thereof upon payment by the Lessee to the Trustee (such payment to be made promptly upon charges except as provided above. To the extent that the Trustee has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Trustee hereby authorizes the Lessee to act in the name of the Trustee and on its behalf; provided, however, that the Lessee shall indemnify and hold the Trustee harmless (in both its individual and fiduciary capacities) from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of or incident to any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances or furnish other evidence satisfactory to the Trustee of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit its compliance with the requirements of taxing jurisdictions.

If any taxing authority shall assert liability for any Taxes or propose an increase in the liability of any Indemnified Person for any such Taxes (such assertion or proposed increase being herein called a "Claim"), indemnification for which would be required under this § 6, the Indemnified Person will give written notice to the Lessee within a reasonable time of such Claim. If the Lessee delivers to such Indemnified Person written notice of its desire to contest such Claim within 30 days after receipt of notice from such Indemnified Person, such Claim will be contested in accordance with this paragraph, except to the extent such Claim represents amounts payable to the Agent under Article 6 of the CSA. The Trustee will permit the Lessee to contest such claims under Article 6 of the CSA in accordance with the rights of the Trustee thereunder. The Indemnified Person shall have the exclusive right to conduct the contest unless such is waived in writing, in which event the contest and all preparations therefor shall be the sole responsibility of the Lessee and, in either case, shall be conducted

entirely at its expense. In the event that independent counsel is retained by the Owner to contest such claim, such counsel shall be satisfactory to the Lessee. Such Indemnified Person will cooperate with any reasonable request made by the Lessee in connection therewith; provided, however, that such Indemnified Person may in its sole discretion determine in what court or other forum such contest will be conducted and whether such contest will proceed by (a) resisting payment thereof, if practicable, (b) not paying the same except under protest, if protest is necessary and proper, or (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, and such Indemnified Person shall not be required to take any action pursuant to this paragraph unless and until (x) the Lessee shall have agreed to indemnify such Indemnified Person in a manner satisfactory to such Indemnified Person for any liability or loss which such Indemnified Person may incur as a result of contesting the validity of any Claim and shall have agreed to pay such Indemnified Person on demand all costs and expenses which such Indemnified Person may incur in connection with contesting such Claim (including, without limitation, indemnification for all costs, expenses, legal and accounting fees, disbursements, penalties, additions to tax and interest), and (y) such Indemnified Person shall have determined that the action to be taken will not result in the sale, forfeiture, or loss of, or the creation of any lien, encumbrance or security interest (other than any which the Lessee is not obligated to remove under § 15.2) on any Unit. If in any such contest the decision is made to pay the Taxes and sue for a refund, the Lessee will advance to such Indemnified Person on an interest-free basis sufficient funds to pay the Taxes which are to be contested. Upon receipt by any Indemnified Person of a refund of any Taxes paid by the Lessee pursuant to this paragraph, the amount of such refund and any interest paid to such Indemnified Person with respect thereto shall be paid to the Lessee forthwith upon receipt by such Indemnified Person.

The Lessee agrees to pay all amounts due under this § 6 free of any Taxes and to indemnify each Indemnified Person against any Taxes imposed by reason of any payment made by the Lessee so that the Indemnified Person to whom or for whose benefit the payment is made shall receive an amount which, net of any Taxes or other charges required to be paid by such Indemnified Person in respect thereof, shall be equal to the amount of payment otherwise required hereunder.

If and to the extent that the imposition of any

penalties and interest for which indemnification is required under this § 6 is due to the failure of an Indemnified Person to give prompt notice of a claim to the Lessee, the Lessee shall not be required to indemnify such Indemnified Person for such penalties and interest.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES AND INSURANCE

7.1. Definition of Casualty Occurrence; Payments.

In the event that any Unit shall be or become lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever during the term of this Lease or any renewal term hereof or until such Unit is returned pursuant to § 14 or 17 hereof, or NAC's Purchase Price of any Unit shall have been refunded by the Builder pursuant to the terms of the patent indemnity therefore or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease or during any renewal term hereof or the Lessee shall have failed to make any improvement, alteration, replacement, modification or addition of or to any part of any Unit required by the Applicable Laws (as defined in § 10.1) which is not permitted by the first proviso in § 10.1 (each such occurrence being herein called a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the Interim Payment Date or on the next succeeding Rental Payment Date (or in the event that the term of this Lease has expired or will expire within 30 days after such notice, on a date within 30 days of such notice) ("Casualty Payment Date"), the Lessee shall pay to the Trustee a sum equal to the Casualty Value (as defined in § 7.5 hereof) of any such Unit as of such Casualty Payment Date, plus the rental in respect of such Unit accrued as of such Casualty Payment Date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to Builder of such Unit) the Trustee shall be entitled to recover possession of such Unit.

In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the term of this Lease, in which event the Lessee shall promptly and fully notify the Trustee with respect thereto and pay the Trustee, as the Casualty Value therefor, an amount equal to 28.590% of the Trustee's Purchase Price of such Unit. Following such payment, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value and any balance of such payments shall be the property of the Trustee. In the event such Unit shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then at the option of the Trustee (A) the Lessee shall dispose of such Unit as agent for the Trustee, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value, and the balance of such proceeds shall be promptly paid to the Trustee or (B) the Trustee may elect to hold or lease such Unit, but shall pay to the Lessee from the net proceeds from any subsequent lease or sale of such Unit an amount equal to the Casualty Value for such Unit, less any condemnation payments theretofore received by the Lessee with respect thereto. In the event such Unit shall be returned by the governmental entity following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Trustee in the manner provided in § 17 hereof.

In the case of a Casualty Occurrence, except as otherwise provided in the preceding paragraph, any payments received at any time by the Lessee from any governmental authority or other party as the result of such Casualty Occurrence shall be promptly paid to the Trustee for application pursuant to the first paragraph of this § 7.1 and all such payments and any other payments received at any time by the Trustee from any governmental authority or other party (other than insurance proceeds covered by § 7.7 and other than proceeds of any insurance which the Trustee shall have

maintained at its own expense in addition to the insurance required to be maintained by the Lessee pursuant to § 7.1) as the result of such Casualty Occurrence shall be applied as follows:

(i) so much of such payments as shall not exceed the payments of Casualty Value made in accordance with the terms hereof shall be applied in reduction of the Lessee's obligation to pay such Casualty Value to the extent not already paid by the Lessee, or, if already paid by the Lessee, shall be applied to reimburse the Lessee for its payment of such Casualty Value, unless a Default or an Event of Default shall have occurred and be continuing, in which case such amount shall be retained by the Trustee and shall be paid over to the Lessee when such Default or Event of Default shall cease to be continuing unless this Lease shall theretofore be declared in default; and

(ii) the balance, if any, of such payments remaining thereafter shall be paid to the Trustee.

7.2. Requisition by United States Government. In the event of the requisition for use by the United States Government of any Unit for a period which does not exceed the term of this Lease or for an indefinite period (except where deemed a Casualty Occurrence pursuant to the second paragraph of § 7.1 hereof), all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Trustee or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.3. Lessee Agent for Disposal. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after expiration of the Lease at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, and unless an Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Trustee.

7.4. Payments After Expiration of Lease. No

rental for any Unit shall accrue after the end of the term of this Lease or, if renewed, any renewal term thereof in respect of such Unit, notwithstanding the payment by the Lessee of a Casualty Value in respect of such Unit in accordance with § 7.1 hereof after the end of such term.

7.5. Amount of Casualty Value. The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall mean the sum of (A) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage set forth opposite such Casualty Payment Date in Table 1 of Appendix B hereto and (B) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage, if any, specified for the period during which the Casualty Occurrence occurs in Table 2 of Appendix B hereto; but in no event shall such amount be less than the Casualty Value (as defined in § 7.3 of the CSA) as of such Casualty Payment Date.

7.6. No Release. Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence and shall bear the risk of any Casualty Occurrence to any Unit from and after acceptance thereof by the Lessee hereunder.

7.7. Insurance To Be Maintained. (1) The Lessee (i) will at all times prior to the return of the Units to the Trustee and during the period during which such Units shall be stored at the cost and expense of the Lessee, at its own expense, cause to be carried and maintained public liability insurance for all claims for personal injury, death and property damage and (ii) cause to be carried and maintained property insurance covering loss or damage in respect of the Units at the time subject hereto of not less than the amount of the Casualty Value. Subject to the terms and conditions expressly set forth herein the Lessee will carry such insurance in such amounts, for such risks, with such deductibles and with such insurance companies of recognized responsibility (not affiliated with the Lessee and classified Class X or greater by Best's Insurance Reports, or equivalent thereto) as the Lessee deems prudent and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units and in any event consistent with prudent industry practice for corporations of established reputation; provided, however, that the Lessee will in any event carry public liability coverage in respect of the Units in an amount of not less than \$20,000,000 with a

deductible of not in excess of \$5,000,000 throughout the term of this Lease. The proceeds of any such insurance shall be payable to the Agent, the Owner, the Trustee and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to the Trustee, the Owner and (so long as there is no Event of Default hereunder) the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Trustee, the Owner and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds as their respective interests may appear, (iii) waive any right to claim any premiums or commissions against the Owner, the Trustee and the Agent, (iv) require that each property damage policy provide that all losses in excess of \$5,000 be adjusted by the Trustee and the Lessee jointly and to be paid directly to the Trustee and (v) shall expressly provide that all of the provisions thereof, except the limits of liability thereunder (which limits shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Lessee), shall operate in the same manner as if there were a separate policy covering each insured. Such policies shall provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee and the Agent, respectively), shall not give any insurer any right of subrogation or recovery against any of them, and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof. Nothing in this Lease shall restrict the right of the Owner or the Trustee to obtain or carry, and the Lessee shall not carry any insurance which would prevent the Owner or the Trustee from obtaining or carrying, at its

own cost and expense, separate property damage insurance in excess of the amount required to be carried by the Lessee pursuant to this § 7 or to retain for its own benefit the proceeds or payments with respect to such insurance.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall upon demand reimburse the Trustee for the cost thereof, together with interest thereon at the rate per annum specified in § 19 hereof.

7.8. Insurance Proceeds and Condemnation Payments.

If the Trustee shall receive (directly or from the Agent) any insurance proceeds or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Trustee shall pay the same to the Lessee up to an amount equal to the Casualty Value with respect to any Unit theretofore paid by the Lessee and any balance shall remain the property of the Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value and accrued rentals in respect of such Units to the Trustee. All insurance proceeds received by the Trustee (directly or from the Agent) in respect of any Unit not suffering a Casualty Occurrence and for which the Lessee has paid premiums shall be paid to the Lessee upon proof satisfactory to the Trustee that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. REPORTS

On or before March 31 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Trustee and the Agent an accurate statement stating (a) as at the preceding December 31 the total number, description and identification numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (b) that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof have been preserved or replaced and (c) that the Lessee is

in compliance under this Lease and has performed or has caused to be performed the required maintenance of the Units and that there is no Event of Default or no event has occurred which with notice or lapse of time or both would constitute an Event of Default. The Trustee, the Agent and the Owner shall each have the right by their agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as they may request during the continuance of this Lease.

§ 9. DISCLAIMER OF WARRANTIES

THE TRUSTEE DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE UNITS OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Trustee and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against the Builder under the provisions of Items 2 and 3 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units.

The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against the Trustee or the Agent based on any of the foregoing matters.

§ 10. LAWS AND RULES

10.1. Compliance. The Lessee agrees, for the benefit of the Trustee and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all statutes, laws, rules, codes, orders, regulations and ordinances of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation, maintenance or use of the Units (all such laws and rules to such extent being herein called "Applicable Laws"), and in the event that the Applicable Laws require any alteration, replacement, improvement, modification or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, the Lessee is permitted to make any improvement, alteration, modification, replacement or addition to any Unit that is not readily removable without causing material damage to the Unit only if and to the extent such improvement, alteration, modification, replacement, or addition is made (i) in order to comply with the health, safety or environmental standards of any Government or governmental authority having relevant jurisdiction over the Unit or (ii) pursuant to the prior written consent of the Trustee, and provided further, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA.

10.2. Reports by Trustee. The Lessee agrees to prepare and deliver to the Trustee and the Agent within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority

by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 11. MAINTENANCE

11.1. Units in Good Operating Order. The Lessee, at its own cost and expense, will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition for use in grain service, ordinary wear and tear from noncorrosive use excepted, and eligible for interchange in accordance with the Applicable Laws and in the same condition as other similar equipment owned or leased by the Lessee. The Lessee shall comply with such operating or repair standards and periodic maintenance inspections as are required to enforce warranty claims against the Builder or which are otherwise established by the Builder as normal operation and maintenance procedures for the Units.

11.2. Additions and Accessions. (1) Except as set forth in §§ 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units as are readily removable without causing material damage to the Units (and do not adversely and materially affect the value of the Units) which shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with § 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit, whether or not installed were added to such Unit in contravention of § 11.2(1) hereof, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit in railroad interchange by any Applicable Law, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the CSA) shall immediately be vested in the Trustee and the Agent as their respective interests may appear in the Unit.

§ 12. INDEMNIFICATION

12.1. Indemnified Persons. The Lessee shall pay, and shall protect, indemnify and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in the Trust Agreement) and their respective successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all actions, causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person including any or all liabilities, losses, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the counsel fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA, the Participation Agreement, or any agreement contemplated hereby or thereby or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent and other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Persons) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, ordinance or restriction affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement; (all of such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 12.1, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified

Matter by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 12.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation counsel fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to pay any indemnification under this § 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or any state or of any political subdivision thereof or any state or local taxing authority (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Trustee each agree to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 12, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified Person) in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter after reduction for any Federal, state or local taxes payable with respect to such payments shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made; provided that such Indemnified Person shall have been at such time fully indemnified by such payments. Nothing in this § 12.1 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

12.2. Indemnification of NAC and the Builder.

The Lessee agrees to indemnify, protect and hold harmless NAC and the Builder as third-party beneficiaries hereof

from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC or the Builder because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by the Builder or NAC or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder or NAC which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to NAC or the Builder of any claim known to the Lessee from which liability may be charged against it hereunder.

12.3. Survival. The indemnities contained in this § 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to delivery of the Units in the manner provided by § 17 after the storage period provided therein or, if any Event of Default shall exist, prior to any sale or lease of the Units to a third person and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 12 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§ 13. DEFAULT

13.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal thereof, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 16 hereof, and such default shall continue for 10 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any interest herein or of the right to possession of any Unit or shall fail to carry and maintain insurance on or with respect to the Units required by § 7.7 hereof;

(C) default shall be made in the performance of any other covenant, condition or agreement on the part of the Lessee contained herein, in the Participation

Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement) and such default shall continue for 30 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that it be remedied;

(D) any representation or warranty made by the Lessee herein or in the Participation Agreement or in any certificate or statement furnished to the Trustee or the Owner pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of making thereof;

(E) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees;

(F) any other proceeding shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency law or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a

court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceeding in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers;

(G) any obligation of the Lessee for the payment of borrowed money the aggregate outstanding principal amount of which is in excess of \$100,000 (with respect to either principal or interest), or, for the deferred purchase price of property costing, in the aggregate, over \$100,000 or for the payment of rent or hire under any lease or leases of land, easements, machinery, equipment or other facilities having a term of more than one year and aggregate minimum annual rentals thereunder in excess of \$100,000, shall not be paid when the same becomes due (after taking into account any grace periods), or the Lessee shall default in the performance of any other term, agreement or condition contained in any agreement or instrument to which the Lessee is a party relating to any such obligation for borrowed money of the Lessee or relating to any such obligations of the Lessee for the deferred purchase price of property or the payment of rent or hire under any lease or leases, if, in any such case, the effect of such failure to pay or default is to cause or permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity; or

(H) final judgment for the payment of money, which together with other outstanding final judgments for the payment of money exceed an aggregate of \$50,000, shall be rendered against the Lessee and the same shall remain undischarged and shall not be effectively bonded or stayed for a cumulative period of 45 days thereafter;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and sell at public or private sale, or otherwise dispose of, hold, keep idle, operate or lease to others, as the Trustee in its sole discretion may determine, all or any such Units free from any right of the Lessee to use the Units for any purposes whatever; provided, however, that if the Trustee elects to sell such Units it shall provide 10 days' notice to the Lessee of such sale and such sale shall be conducted in a commercially reasonable manner; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as liquidated damages for loss of the bargain and not as a penalty whichever of the following amounts that the Trustee, in its sole discretion shall specify, (i) a sum with respect to each Unit which represents (x) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in each case on the basis of a 10.25% per annum discount, compounded monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated or, if such Unit is sold, the net proceeds of the sale plus (y) any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (ii) an amount equal to the excess, if any,

of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the sales value of such Unit at such time or over the amount which is the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in such case on the basis of a 10.25% per annum discount, computed monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated plus, in each case, any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale in lieu of the payment required by clause (ii) above.

13.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.3. Notice of Event of Default. The Lessee agrees to furnish written notice to the Trustee, the Owner and the Agent promptly upon any responsible officer becoming

aware of any condition which constitutes an Event of Default under this Lease or which after notice or lapse of time or both would constitute such an Event of Default, specifying such condition and the nature and status thereof. A "responsible officer" shall mean any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of the subject matter of the particular covenant, agreement or obligation of the Lessee contained in this Lease and the requirements of this Lease with respect thereto.

13.4. Costs and Expenses, etc. In addition, the Lessee shall be liable, except as otherwise expressly provided in § 13.1, for any and all unpaid rent and other payments due hereunder or under any of its Documents before, during or after the exercise of any of the foregoing remedies and for any legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, or the enforcement of any of the provisions hereof, including all costs and expenses incurred in connection with the return of the Units in accordance with § 14.1 or in placing the Units in the condition required by § 14.1.

§ 14. RETURN OF UNITS UPON DEFAULT

14.1. Return of Units. If this Lease shall terminate pursuant to § 13 hereof or Article 16 of the CSA, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, and shall have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 11 hereof, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been inter-

changed or which may have possession thereof to return the Unit or Units) and place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported to any reasonable place as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as provided above shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in the manner set forth in § 11.1 hereof and insured in the manner required by § 7.7 and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee.

In the event any Unit is not assembled, delivered and stored as provided above within 30 days after such termination, the Lessee shall in addition pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which the percentage of the Purchase Price of such Unit for each such day (obtained by dividing the basic lease rate as set forth in § 3.1 hereof for each monthly payment for such Unit by 30) exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this Section.

14.2. Trustee Appointed Agent of Lessee. The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit.

§ 15. ASSIGNMENT, POSSESSION AND USE

15.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee. The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment.

15.2. Lessee's Rights To Use the Units. (1) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments as defined in the Lease Assignment in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the CSA. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and the Agent, except as provided in paragraph (2) of this § 15.2; and the Lessee shall not part with the possession or control of or allow to pass out of its possession or control any of the Units without the prior written consent of the Trustee and the Agent, except to the extent permitted by the provisions of said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Agent or resulting from claims against the Trustee or the Agent not related to the ownership of the Units, upon or with respect to any Unit or the interest of the Trustee, the Agent or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises. The Lessee shall use the Units primarily in grain or other noncorrosive service in the continental United States.

(2) So long as no Event of Default exists hereunder and no event of default exists under the CSA (subject to the provisions of subsection (1) of § 15.2 hereof), the Lessee shall be entitled to the possession and use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all

the terms and conditions of this Lease and the CSA; provided, however, that the Lessee shall not permit the assignment, sublease or use of any Unit in Mexico or in any other place predominantly outside the United States within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee assign or sublease to or permit the sublease or use of the Units by any person in whose hands such Units would not qualify as "section 38 property" within the meaning of said Code; provided further that the Lessee shall not assign, sublease or otherwise transfer, whether by operation of law or otherwise, any Unit without the prior written consent of the Trustee and Agent, except that no such consent shall be required (a) for any sublease under which the subtenant is at the time of execution and delivery of such sublease a corporation with an equipment trust certificate or bond credit rating of "A" or better or its equivalent as rated by either Moody's Investors Services, Inc., or Standard and Poors Corporation, (b) for any sublease with a term of 180 days or less or (c) for any sublease to a wholly owned subsidiary of the Lessee. Any consent given by the Trustee and the Agent to any assignment, sublease or other transfer shall apply only to the specific transaction thereby authorized. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Agent under the CSA Assignment and the Trustee under this Lease in respect of the Units covered by such sublease and shall not release the Lessee from its obligations hereunder.

15.3. Merger, Acquisition or Consolidation.

Nothing in this § 15 shall be deemed to restrict the right of the Lessee to assign its leasehold interest under this Lease or possession of the Units to any corporation incorporated under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety and which shall have duly assumed the obligations of the Lessee hereunder, provided that such assignee will not, upon the effectiveness thereof, be in default under any provision of this Lease.

§ 16. RENEWAL OPTION

16.1. Renewal for Successive Period. Prior to or simultaneous with the execution and delivery of this Lease,

the Trustee will enter into an agreement ("Option Agreement") with Tiger Financial Services, Inc. ("TFS"), pursuant to which the Trustee will grant to TFS the option to lease (subject to the rights of the Lessee to sublease provided hereafter), all but not fewer than all of the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option Agreement and acceptable to the Trustee. All obligations of TFS with respect to such lease shall be unconditionally guaranteed by Tiger Leasing Group (TLG). No option may be exercised if at the time of exercise any event described in paragraph 13.1(E) or 13.1(F) shall have occurred and be continuing with respect to TFS or TLG. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Trustee (or, if TFS's option is exercised, to TFS) not less than 180 days nor more than 270 days prior to the end of the original term of this Lease elect to extend such original term of this Lease (or if TFS's option is exercised, to sublease the Units), upon substantially all the terms and conditions hereof (other than the payment of rent), in respect of all but not less than all the Units then covered by this Lease for a period of five years commencing on the scheduled expiration of such original term of this Lease, at a Fair Market Rental (as defined in § 16.2 hereof) payable, in arrears, in monthly payments on the day such rentals were payable for the Units during the original term in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be determined by mutual consent of the Trustee and the Lessee, failing which, such Casualty Value shall be determined in the manner set forth for the determination of Fair Market Rental in § 16.2(2) hereof.

16.2. Determination of Fair Market Rental. (1) The Fair Market Rental for the extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, after 50 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Trustee and the Lessee are unable to agree

upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 days after such notice is given, each party shall appoint an independent appraiser within 15 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 45 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If 3 appraisers shall be appointed, the determination of the appraiser which differs most from the other 2 appraisers shall be excluded, the remaining 2 determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

§ 17. RETURN OF UNITS

As soon as practicable on or after the expiration of the original or any extended term of this Lease with respect to any Unit, and in any event not later than 30 days thereafter, the Lessee will, at its own cost and expense, deliver possession of such Unit to the Trustee upon such storage tracks as the Trustee may reasonably designate with NAC's consent or, in the

absence of such designation, as NAC may select, and NAC will permit the Trustee to store such Unit, at NAC's expense, on such tracks for a period not exceeding 45 days. The Lessee shall transport the same upon disposition of the Units, at any time within such 45-day period, to any reasonable place or to any connecting carrier for shipment, all as directed by the Trustee, the movement of such Units shall be at the expense and risk of the Lessee and the storage shall be at the risk of the Lessee. The Trustee shall give 90 days prior notice to NAC of its intent to store the Equipment. During any such storage period the Lessee and NAC will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to or the death of any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and have removed therefrom any such device not so considered an accession. During any such storage period the Lessee shall maintain and insure the Units in such manner as the Lessee normally maintains and insures similar units of railroad equipment owned or leased by it in similar storage circumstances, but in any event in compliance with §§ 7.7, 10 and 11 hereof. All amounts earned with respect to the Units after the date of expiration of the Lease shall belong to the Trustee and, if received by the Lessee, shall promptly be turned over to the Trustee. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. In the event any Unit is not assembled, delivered, stored and transported as provided above upon termination of this Lease, the Lessee shall pay to the Trustee the amount set forth in § 14.1 hereof.

§ 18. FILING

The Lessee, at its own expense, will cause this Lease, the CSA, the CSA Assignment and the Lease Assignment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, and will undertake the filing required of the Trustee under the CSA. The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the Units or for the purpose of carrying out the intention of this Lease, the CSA, the CSA Assignment and the Lease Assignment; and the Lessee will promptly furnish to the Agent and the Trustee evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Agent and the Trustee.

§ 19. INTEREST ON OVERDUE RENTALS

The Lessee shall promptly pay, to the extent legally enforceable, an amount equal to interest at 11.25% per annum on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 20. TRUSTEE'S RIGHT TO PERFORM FOR LESSEE

If the Lessee fails to perform any of its agreements contained herein, the Trustee may upon notice to the Lessee perform such agreement, and the amount of the reasonable cost and expenses of the Trustee incurred in connection with such performance, together with interest on such amount at 11.25% per annum, shall be payable by the Lessee upon demand, except as otherwise provided in this Lease. No such performance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee or any assignee of the Trustee against the Lessee hereunder.

§ 21. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been

given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessee, at P.O. Box 19148, Kansas City, Missouri 64141, attention of General Traffic Manager, with copies to Widett, Slater & Goldman, P.C., 60 State Street, Boston, Massachusetts 02109, attention of Marshall Tutun, Esq.;

(b) if to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Michael A. Goodman, Vice President, with copies to the Owner at 10th and Baltimore Streets, Kansas City, Missouri 64183, attention of Neil T. Douthat, Vice President;

or addressed to any party at such other address as such party shall hereafter furnish to any other party in writing.

§ 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

§ 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Indemnity Agreement, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Trustee and the Lessee.

§ 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto other than the Owner, the Agent, the Investors, NAC, the Builder and the permitted successors and assigns of such parties, and this instrument

shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid.

§ 25. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original and all other counterparts shall be deemed duplicates hereof. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 26. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 27. IMMUNITIES; NO RECOURSE

27.1. No recourse shall be had in respect of any obligation due under this Lease or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

27.2. Each and all of the representations, warranties, agreements, undertakings and covenants herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, undertakings and covenants by said institution or for the purpose or with the intention of binding said institution personally but are made

and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as Trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

§ 28. AGREEMENTS FOR BENEFIT OF OWNER
AND TRUSTEE'S ASSIGNS

All rights of the Trustee hereunder (including but not limited to its rights under §§ 6, 7, 9, 12, 13, 14 and 17 and the right to receive the rentals and other amounts payable under this Lease but excluding any amounts of indemnity payable to the Trustee in its individual capacity) shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Trustee's assigns (including the Agent).

Whenever the term Trustee is used in this Lease, it shall apply to the Trustee and any assignee of the Trustee (including the Agent so long as any CSA Indebtedness under the CSA or interest thereon shall remain unpaid or any other obligation thereunder be continuing).

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

SEABOARD ALLIED MILLING
CORPORATION,

[Corporate Seal]

by _____

Attest:

Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

STATE OF _____,)
) ss.:
COUNTY OF _____,)

On this day of September 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

[Notarial Seal]

My Commission expires

Notary Public

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
to me personally known, who, being by me duly sworn, says
that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF
CHICAGO, a national banking association, that one of the
seals affixed to the foregoing instrument is the seal of said
national banking association, that said instrument was signed
and sealed on behalf of said national banking association by
authority of its Board of Directors and he acknowledged that
the execution of the foregoing instrument was the free act
and deed of said national banking association.


Notary Public

[Notarial Seal]

My Commission expires

APPENDIX A TO LEASE

Units of Railroad Equipment

<u>Type</u>	 <u>AAR Mechanical Designation</u>	<u>Builder's Specifications</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
100-ton, 4,750 cubic foot 3 hopper, gravity load/unload covered hopper grain cars	LO	1147	Butler, Pa.	150	SAMX 3100-3249	\$46,742.67	\$7,011,400.50	Sept.-Oct. 1980 at or near Butler, Pa.

APPENDIX B TO LEASE

Casualty ValuesTable 1

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
Interim Payment	106.4618		
1	106.4618	33	109.6067
2	106.9061	34	109.5496
3	106.9499	35	109.4924
4	109.5390	36	109.2355
5	109.7690	37	102.7311
6	109.9864	38	102.6564
7	109.4784	39	102.5728
8	109.6614	40	103.3802
9	108.7471	41	103.2858
10	108.8819	42	103.1866
11	109.0172	43	102.8670
12	108.6317	44	102.7484
13	108.7446	45	102.0857
14	108.8578	46	101.9426
15	108.9233	47	101.7985
16	110.6474	48	101.4925
17	110.7387	49	101.3324
18	110.8252	50	101.1711
19	110.4429	51	101.0017
20	110.5064	52	101.2816
21	109.7273	53	101.1017
22	109.7605	54	100.9168
23	109.7944	55	100.6633
24	109.4796	56	100.4610
25	109.4954	57	99.8910
26	109.5118	58	99.6670
27	109.5187	59	99.4413
28	110.5834	60	99.1693
29	110.5793	61	92.4989
30	110.5705	62	92.2566
31	110.2894	63	92.0069
32	110.2595	64	92.1597

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
65	91.8998	103	71.1479
66	91.6351	104	70.6953
67	91.3112	105	70.1315
68	91.0311	106	69.6711
69	90.4193	107	69.2068
70	90.1208	108	68.7397
71	89.8198	109	68.2696
72	89.4771	110	67.7967
73	89.1631	111	67.3209
74	88.8465	112	66.8795
75	88.5232	113	66.3978
76	88.3830	114	65.9130
77	88.0504	115	65.4252
78	87.7129	116	64.9344
79	87.3680	117	64.4030
80	87.0175	118	63.9060
81	86.4701	119	63.4058
82	86.1046	120	62.9025
83	85.7359	121	62.3960
84	85.5618	122	61.8864
85	78.5519	123	61.3734
86	78.1689	124	60.8572
87	77.7803	125	60.3377
88	77.5850	126	59.8149
89	77.1874	127	59.2887
90	76.7860	128	58.7592
91	76.3807	129	58.2263
92	75.9721	130	57.6899
93	75.3610	131	57.1500
94	74.9433	132	56.6067
95	74.5261	133	56.0598
96	74.1032	134	55.5094
97	73.6768	135	54.9554
98	73.2467	136	54.3977
99	72.8129	137	53.8365
100	72.4828	138	53.2715
101	72.0416	139	52.7029
102	71.5967	140	52.1305

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
141	51.5543
142	50.9743
143	50.3905
144	49.8042
145	49.2128
146	48.6173
147	48.0214
148	47.4225
149	46.8170
150	46.2081
151	45.6020
152	44.9976
153	44.3978
154	43.8028
155	43.2027
156	42.6046
157	42.0086
158	41.4076
159	40.8087
160	40.2121
161	39.6105
162	39.0075
163	38.4104
164	37.8159
165	37.2276
166	36.6456
167	36.0589
168	35.4751
169	34.8945
170	34.3091
171	33.7270
172	33.1481
173	32.5647
174	31.9804
175	31.4037
176	30.8306
177	30.2654
178	29.7082
179	29.1465
180	28.5909 and thereafter

* As defined in Section 4.1 of the CSA.

Table 2

<u>Period</u>	<u>Percentage of Trustee's Purchase Price</u>
From the date the Unit is placed in Service within the meaning of section 46 of the Internal Revenue Code of 1954, as amended ("Placed in Service"), to and including the anniversary in 1983 of the Date the Unit is Placed in Service.	19.2901%
From the anniversary of the date the Unit is Placed in Service in 1983 to and including such anniversary date in 1985.	12.8601
From the anniversary of the date the Unit is Placed in Service in 1985 to and including such anniversary date in 1987.	6.4300

ANNEX D
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of September 1, 1980

Between

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof
with The First National Bank of Kansas City,

and

LA SALLE NATIONAL BANK,
as Agent.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of September 1, 1980 ("Lease Assignment"), between EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) and North American Car Corporation ("NAC") providing for the sale to NAC by the Builder and the conditional sale to the Trustee by NAC of the units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Trustee thereunder.

SEABOARD ALLIED MILLING CORPORATION ("Lessee") and the Trustee have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

The Trustee proposes to assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Trustee under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Trustee hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Trustee under the CSA, all the Trustee's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Trustee in its individual capacity or to the Owner), including without limitation the immediate right to receive and collect all rentals, profits and other sums payable to the Trustee by the Lessee pursuant to the provisions of the Lease, whether as rent,

casualty payment, indemnity, liquidated damages or otherwise (such moneys being herein called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to take any other action which the Trustee is or may become entitled to take under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Trustee or as its attorney to demand, sue for and collect any and all Payments to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSA and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee at such address as may be specified to the Agent in writing, and such balance shall be retained by the Trustee. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Trustee at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Trustee shall not affect the obligations of the Trustee hereunder or under the CSA.

2. This Lease Assignment is executed only as security and, therefore, the execution and delivery of this Lease Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Trustee under the Lease. Notwithstanding this Lease Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against the Trustee or persons other than the Agent.

3. The Trustee will faithfully perform each obligation, covenant and agreement which the Lease provides

is to be performed by the Trustee and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, modification or termination of the Lease without the Agent's consent shall be void.

4. The Trustee hereby constitutes the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee or otherwise), to demand and receive all Payments due and to become due under or arising out of the Lease to which the Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Trustee under the CSA, this Lease Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Trustee. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Trustee, in its individual capacity, will pay and discharge all claims, liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Trustee or its successors and assigns (other than the Agent) and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not arising out of the interest in the Equipment, the administration of the Trust Estate, the transactions contemplated by the CSA or the Lease (but, to the extent it receives funds for such purpose from the Owner, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) which if unpaid

might become a claim, lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Trustee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent, adversely affect the interest of the Agent hereunder.

7. The Trustee will from time to time execute, acknowledge and deliver any and all further instruments reasonably requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Lease Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Agent.

11. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Trustee to the Agent by this Lease Assignment, except the right to receive and apply the Payments as provided in Section 1 hereof, and the Trustee may exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges or remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent; provided, however, that notwithstanding the existence of an event of default (as defined in the CSA) the Agent shall not amend or supplement the Lease without the consent of the Trustee if the effect thereof is to reduce the obligations of the Lessee to the Trustee or the Owner under the Lease.

12. Each and all of the representations, warranties, agreements, covenants and undertakings in this Lease Assignment made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Lease Assignment is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, agreement, covenant or undertaking herein of the Trustee (except as provided in Paragraph 6 hereof), either expressed or implied (except for wilful misconduct or gross negligence), all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent making claim hereunder may look to said Trust Estate for satisfaction of the same.

13. This Lease Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Lease Assignment is dated the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

LA SALLE NATIONAL BANK,
as Agent,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
 to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
 to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), the lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease directly to La Salle National Bank, as agent ("Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, to the attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Agent);

(2) the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Trustee; and the Agent shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(3) the Lease shall not, without the prior written consent of the Agent, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

Dated as of September 1, 1980

SEABOARD ALLIED MILLING
CORPORATION,

by

[Corporate Seal]

Attest:

Secretary

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1980

Among

PULLMAN INCORPORATED (Pullman Standard Division),

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement dated
as of the date hereof with
The First National Bank of Kansas City

10.25% Conditional Sale Indebtedness Due 1995

[Covering 150 Covered Hopper Cars]

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of September 1, 1980, among PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation ("Builder"), NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NAC" or "Vendor" as the context may require, as set forth in Article 1 hereof), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Builder has agreed to construct, sell and deliver to NAC, and NAC has agreed to purchase from the Builder and conditionally sell to the Trustee, subject to the terms and conditions hereof, the railroad equipment described in Annex B hereto ("Equipment").

The Trustee is entering into a Lease of Railroad Equipment with SEABOARD ALLIED MILLING CORPORATION ("Lessee"), substantially in the form of Annex C hereto ("Lease").

LA SALLE NATIONAL BANK ("Agent") is acting as agent for certain investors (together with any assignees, "Investors") pursuant to a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1. ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Trustee's Purchase Price; Assignment. The parties hereto contemplate that the Trustee will furnish 31.00% of the Trustee's Purchase Price (as defined in Section 4.1 hereof) of the Equipment and that an amount equal to the balance of such Trustee's Purchase Price shall be paid to NAC by the Agent pursuant to an Agreement and Assignment dated as of the date hereof ("CSA Assignment") among the Builder, NAC and the Agent. NAC shall pay or have paid to the Builder NAC's Purchase Price

(as defined in Section 4.1 hereof) pursuant to the terms of Article 4 hereof.

1.2 Lease Assignment. As security for the payment and performance of all the Trustee's obligations hereunder, the Trustee will assign to the Agent certain of its right, title and interest of the Trustee in and to the Lease pursuant to an Assignment of Lease and Agreement substantially in the form of Annex D hereto ("Lease Assignment"), and the Lessee shall acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

1.3. Meaning of "Builder" and "Vendor". The term "Builder", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the units of Equipment to be constructed and sold hereunder and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means NAC before any assignment of its rights and, after any such assignment, both any assignee as regards any assigned rights and also any assignor as regards any rights retained by such assignor.

1.4. Purchase Order. All contractual arrangements between the Builder and NAC insofar as they relate to the Equipment ("Purchase Order") shall be superseded by this Agreement, and the obligations of the Trustee to purchase and pay for the units of Equipment shall be exclusively and completely governed by and subject to the conditions provided herein and in the Participation Agreement.

ARTICLE 2. CONSTRUCTION AND SALE

Pursuant to this Agreement, the Builder will construct the Equipment at its plant described in Annex B hereto and will sell and deliver the Equipment to NAC. NAC will (as hereinafter provided) purchase from the Builder and accept delivery of and immediately thereafter conditionally sell and deliver the Equipment to the Trustee. Each unit of Equipment shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, NAC, the Trustee, the Owner

and the Lessee (such specifications and any modifications called "Specifications"). The Builder represents and warrants to the Owner, Agent and NAC that (i) the design, quality and component parts of each unit of Equipment to be delivered by the Builder under this Agreement shall conform, on the date of delivery and acceptance thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, (ii) none of such component parts will be used components and (iii) such units will qualify as "new Section 38 property" and as property the "original use" of which will commence with the Lessee, within the meaning of Sections 48(b) and 167(c)(2) of the Internal Revenue Code of 1954, Treas. Reg. § 1.48-4(a) and (b) and Treas. Reg. § 1.167(c)-1(a)(2).

ARTICLE 3. INSPECTION AND DELIVERY

3.1. Place of Delivery. The Builder will deliver the units of Equipment to NAC and NAC will thereafter deliver such units to the Trustee at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to time by the Trustee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that the Builder and NAC shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Section 16.1 hereof or subsequent to the occurrence of any event of default as described in Section 16.1 hereof, so long as it shall be continuing, or of any event which with notice or lapse of time or both would constitute such an event of default. The Builder and NAC agree not to deliver any unit of Equipment hereunder (a) following receipt of written notice from the Trustee or the Agent of the commencement of any such proceedings or the occurrence of any such event, as aforesaid, or (b) until it receives notice from the Agent and the Trustee that the respective conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met.

3.2. Force Majeure. The respective obligations of the Builder and NAC as to time of delivery are subject to delays resulting from causes beyond the Builder's or NAC's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, differences with workmen, accidents, fires, floods, explosions, damage to plant, equipment or facilities or delays of carriers or subcontractors. NAC's obligation hereunder to deliver the Equipment to the Trustee is subject to the delivery of such Equipment by the Builder to NAC.

3.3. Exclusion of Equipment. Any unit of Equipment not delivered to the Trustee pursuant to Section 3.1 hereof and any unit of Equipment not delivered and accepted by the Trustee hereunder on or before October 31, 1980, shall be excluded from this Agreement, and NAC and the Trustee shall be relieved of their respective obligations hereunder to purchase and pay for such Equipment. If any unit of Equipment shall be so excluded, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the units of Equipment not so excluded herefrom. In the event of any such exclusion of any unit of Equipment herefrom pursuant to the foregoing provisions or pursuant to Section 4.1 hereof, or in the event the Trustee is relieved of its obligations hereunder to accept or pay for any or all units of Equipment in accordance with the terms and conditions hereof for any reason whatsoever, NAC will be obligated to accept all such units delivered by the Builder and to pay the full purchase price therefor when due, all in accordance with the terms of the Purchase Order, and the Trustee will transfer and assign to NAC all the right, title and interest of the Trustee in and to the units so excluded.

3.4. Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of NAC and the Trustee (who may be employees of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Prior to delivery

to NAC by the Builder and to the Trustee by NAC, each unit of Equipment shall be presented to an authorized inspector of NAC and the Trustee for inspection at the place specified for delivery of such unit, and if such unit conforms to the Specifications, requirements and standards applicable thereto, such authorized inspector shall execute and deliver to the Builder a certificate of acceptance ("Certificate of Acceptance") stating that such unit has been inspected and accepted on behalf of NAC and the Trustee and is marked in accordance with Article 10 hereof; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof. By § 2 of the Lease and by this Section 3.4, the Trustee and NAC are each appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) pursuant to § 2 of the Lease shall be deemed to be acceptance of such unit hereunder by the Trustee and NAC.

3.5. Builder's and NAC's Responsibilities After Delivery. Upon delivery to and acceptance by the Trustee of units of Equipment at the place specified for delivery, the Builder and NAC shall have no further responsibility for nor bear any risk of any damage to or the destruction or loss of any such unit; provided, however, that the Builder shall not thereby be relieved of its warranties referred to in Sections 2 and 14.4 hereof.

ARTICLE 4. PURCHASE PRICE AND PAYMENT

4.1. Meaning of "Trustee's Purchase Price" and "NAC's Purchase Price"; Exclusion of Units. The base price or prices per unit of Equipment to be paid by the Trustee to NAC are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as may be agreed to by NAC, the Trustee and the Lessee. The term "Trustee's Purchase Price" as used herein shall mean the base price or prices per unit as set forth in the invoice or invoices of NAC ("NAC's Invoices") delivered to the Trustee. The base price or prices per unit of the Equipment to be paid by NAC to the Builder as set forth in the Purchase Order are subject to such increase or decrease as provided in the Purchase Order or as otherwise may be agreed to by the Builder and NAC. The term "NAC's Purchase Price" as used herein shall mean the base price or prices per unit as so increased or decreased as set forth in the

Builder's invoice or invoices ("Builder's Invoices") delivered to NAC and, if NAC's Purchase Price is other than the base price or prices set forth in the Purchase Order, the Builder's invoice or invoices shall be accompanied by or have endorsed thereon the agreement or approval of NAC.

4.2. Settlement and Closing Dates. The Equipment shall be settled for in such number of groups of units of Equipment delivered to and accepted by NAC and the Trustee, respectively, as is provided in Item 2 of Annex A hereto. The term "Closing Date" with respect to any group of units shall be such date as is specified by the Lessee in accordance with Item 2 of Annex A hereto by four days' written notice thereof with the concurrence of the Trustee, the Agent, the Builder and NAC, but in no event shall such Date be later than October 31, 1980. Such notice shall specify the aggregate Trustee's Purchase Price of the Equipment to be settled for and a copy thereof shall be sent by the Lessee to NAC, the Builder, the Agent and the Trustee. The place of each closing shall be determined by mutual agreement among the parties hereto. At least three business days prior to any Closing Date, the Builder shall present the Builder's Invoice to NAC and NAC shall present NAC's Invoice to the Trustee and the Lessee for the Equipment to be settled for. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

4.3. Indebtedness of Trustee to Vendor. Subject to the terms of this Agreement and the satisfaction of the conditions set forth in the Participation Agreement, the Trustee hereby acknowledges itself to be indebted to the Vendor in the amount of the aggregate Trustee's Purchase Price of the Equipment to be settled for and hereby promises to pay the same in cash or immediately available funds to the Vendor at such place as the Vendor may designate, as follows:

(a) on the Closing Date an amount equal to 31.00% of the aggregate Trustee's Purchase Price of the Equipment for which settlement is being made; and

(b) in 180 monthly installments, in arrears, as hereinafter provided, an amount equal to the aggregate Trustee's Purchase Price of the Equipment for which

settlement is being made less the aggregate amount paid or payable with respect thereto pursuant to subsection (a) of this Section (said portion of the aggregate Trustee's Purchase Price payable in installments called "CSA Indebtedness").

The obligation of the Trustee to pay to the Vendor the amount required to be paid pursuant to subparagraph (a) of this Section 4.3 with respect to any Group shall be subject to the receipt by the Trustee of copies of the documents required to be furnished by the Builder or NAC pursuant to paragraphs (a), (b), (c) and (d) of Section 4 of the CSA Assignment in respect of such Group.

4.4. Indebtedness of NAC to the Builder. NAC hereby acknowledges itself to be indebted or to have been indebted to the Builder in the amount of the aggregate NAC's Purchase Price of the Equipment to be settled for, and hereby promises to pay the same in full in cash to the Builder, on or prior to the Closing Date with respect to such Equipment, at such place in the United States, as the Builder may designate.

4.5. CSA Indebtedness; Payment Dates; Interest.
 (a) The installments of the CSA Indebtedness shall be payable monthly on the first day of each month, commencing on the first day of the month next succeeding the Interim Payment Date (as defined below) (each such date a "Payment Date"). The unpaid balance of the CSA Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of 10.25% per annum. Interest on the unpaid balance of the CSA Indebtedness shall be payable to the extent accrued on the first day of the month next succeeding the last Closing Date hereunder (the "Interim Payment Date"), and on each Payment Date thereafter. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto (subject to the provisions of Article 7 hereof) and the aggregate of such installments of principal and interest shall completely amortize the CSA Indebtedness at maturity. The Trustee will furnish to the Vendor and the Lessee a schedule showing the respective amounts of principal and interest payable on each Payment Date promptly after the last Closing Date, in such number of counterparts as shall be requested by the Vendor.

(b) If any of the dates for payment of principal

or interest is not a business day, such payment shall be payable on the succeeding business day.

4.6. Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on the Interim Payment Date shall be computed on an actual elapsed day, 365-day year, basis.

4.7. Penalty Interest. The Trustee will pay interest, to the extent legally enforceable, at the rate of 11.25% per annum ("Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

4.8. Currency of Payment. All payments provided for in this Agreement shall be made in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 16 hereof, the Trustee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due; provided, however, that the CSA Indebtedness may be prepaid as provided for in Article 4 hereof and the Trustee may also prepay all of the CSA Indebtedness, without penalty or premium, together with interest accrued to the date of payment, if an Event of Default shall have occurred under the Lease and the Vendor shall have given written notice to the Trustee that it intends to make a Declaration of Default (as defined in Article 16 hereof) and/or to terminate the Lease as provided in Article 16 hereof.

4.9. Liability of Trustee Limited to "Income and Proceeds from Equipment". Notwithstanding any other provision of this Agreement (including but not limited to any provision of Articles 16 and 17 hereof, except as set forth in this Section 4.9), but not limiting the effect of Article 23 hereof, the liability of the Trustee or any assignee of the Trustee for all payments to be made by it under this Agreement, with the exception only of the payments to be made pursuant to Section 4.3 (a) hereof (liability for such payments being limited to the extent funds are delivered to the Trustee by the Owner for such purpose) and the proviso to Section 13.3 hereof, shall not exceed an amount equal to and shall be payable only out of the "income and proceeds from the Equipment", and such payments shall be made by the Trustee only to the extent that the Trustee or any assignee of the Trustee shall have actually received sufficient "income and proceeds from the Equipment" to make such payments. Except as provided in the preceding sentence, the Trustee shall have

no liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Trustee or any assignee of the Trustee. As used herein the term "income and proceeds from the Equipment" shall mean:

(i) if one of the events of default specified in Section 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee or any assignee of the Trustee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences (as defined in § 7 of the Lease) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 13 or any other provision of the Lease (except any indemnity paid or payable to the Trustee or the Owner pursuant to § 6 or 12 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition; and

(ii) at any other time only that portion of the amounts referred to in clauses (a) and (b) of subsection (i) above (not including amounts paid by the Lessee to the Trustee as reimbursement of sums paid by the Trustee on account of prior defaults under subparagraph A of § 13.1 of the Lease) as are indefeasibly received by the Trustee or any assignee of the Trustee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Trustee or any assignee of the Trustee were required to be paid to it pursuant to the Lease or which exceeded any other

payments due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Equipment as provided for herein for the full unpaid Trustee's Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this Section, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this Section.

ARTICLE 5. SECURITY INTEREST IN EQUIPMENT

5.1. Vendor To Retain Security Interest; Accessions Are Part of Equipment. The Vendor hereby retains a security interest in the Equipment until the Trustee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Lessee as provided in this Agreement and the Lease. Any and all parts installed on and additions and replacements made to any unit of Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Trustee's Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the United States Department of Transportation, the Interstate Commerce Commission, the Association of American Railroads or any other applicable regulatory body shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used herein.

5.2. Obligations Upon Payment of CSA Indebtedness. Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Trustee's Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee at that time, will (a) execute an instrument

releasing its security interest in the Equipment and transferring such interest to the Trustee or upon its order, free of all claims, liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Trustee at its address referred to in Article 22 hereof, (b) execute and deliver at the same place, for filing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Equipment and (c) pay to the Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as provided therein. The Trustee hereby waives and releases any and all rights existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 6. TAXES

6.1. General Tax Indemnification. The Trustee agrees to pay and to indemnify and hold the Vendor harmless from all Taxes (as defined in § 6 of the Lease); excluding, however, (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Trustee has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that

the Trustee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Section 6.2 hereof.

6.2. Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Trustee. If reasonably requested by the Trustee in writing, the Vendor shall, upon receipt of any indemnity reasonably satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings or both. The Trustee may also contest, at its own expense, the validity, applicability or amount of such taxes in the name of the Vendor; provided that no proceedings or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor which shall not be unreasonably withheld. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Section 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3. Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Trustee under or arising out of this Article 6, the Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Trustee.

6.4. Survival. All of the obligations of the Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

ARTICLE 7. MAINTENANCE; CASUALTY OCCURRENCES

7.1. Maintenance. The Trustee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for interchange service.

7.2. Casualty Occurrences. In the event that any unit of Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease), the Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the Casualty Payment Date (as defined in § 7 of the Lease), the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as defined in Section 7.3 hereof) of such unit suffering a Casualty Occurrence as of such Casualty Payment Date, together with accrued interest thereon as hereinafter provided. The Trustee shall file or cause to be filed with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this Section shall be applied on the date of such payment to prepay the CSA Indebtedness, without penalty or premium, ratably in accordance with the unpaid balance of each installment, together with all interest accrued on the portion of the CSA Indebtedness being prepaid. The Trustee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendor and the Lessee may request, calculated as provided in Section 4.5 hereof.

7.3. Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Trustee's Purchase Price thereof referred to in Section 4.3(b) hereof remaining unpaid on the date as of which such Casualty Value shall be determined (after giving effect to the scheduled payment of principal and interest due and made on such date, with respect to such unit but without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this Section 7.3 and Section 7.4 hereof, each payment of the Trustee's Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Trustee's Purchase Price of such unit bears to the aggre-

gate original Trustee's Purchase Price of all the Equipment.

7.4. Obligations upon Payment of Casualty Value.

Upon payment by the Trustee to the Vendor of the Casualty Value of any unit of Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee, an appropriate instrument confirming such passage to the Trustee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Trustee may make clear upon the public records the title of the Trustee to such unit.

ARTICLE 8. INSURANCE; CONDEMNATION

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall pay such insurance proceeds or condemnation payments to the Trustee, after receipt by the Vendor of the Casualty Value of such unit, together with accrued interest thereon, unless an event of default shall have occurred and be continuing hereunder. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Trustee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9. REPORTS AND INSPECTIONS

On or before March 31 in each year, commencing with the year 1981, the Trustee shall cause to be furnished to the Vendor an accurate statement to the effect set forth in § 8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Trustee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. MARKING OF EQUIPMENT

The Trustee will cause each unit of Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor which previously shall have been filed with the Vendor and filed by or on behalf of the Trustee in all public offices where this Agreement shall have been filed. Except as aforesaid, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

ARTICLE 11. COMPLIANCE WITH LAWS

During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation the use, maintenance and operation of the Equipment) with all Applicable Laws (as defined in § 10 of the Lease) and in the event the Applicable Laws require any alteration, replacement or addition of or to any part on any unit of Equipment, the Trustee will or will cause any lessee to conform therewith at no expense to the Vendor; provided, however, that the Trustee or any lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement; provided, further, that the obligations hereunder will not be greater than those required in § 10.1 of the Lease.

ARTICLE 12. POSSESSION AND USE

12.1. Possession and Use of Equipment by Trustee. So long as an event of default shall not have occurred and be continuing under this Agreement, the Trustee shall be entitled to the possession of the Equipment and the use thereof from and after delivery of the Equipment by NAC to the Trustee, but only upon and subject to all the terms and conditions of this Agreement.

12.2. Lease Permitted; Lease Subordinate; No Amendment or Termination. The Trustee simultaneously is

leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights and shall, except as provided in § 15.2 of the Lease, be subject to the remedies of the Vendor under this Agreement. The Lease shall not be amended in any material respect or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 13. PROHIBITION AGAINST LIENS

13.1. Trustee To Discharge Liens. The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or any unit thereof equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2. No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3. Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Trustee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Trustee will, in its individual capacity, pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Trustee and its successors and assigns and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not

arising out of its interest of the Equipment, the administration of the Trust Estate, the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owner, including taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Trustee's interest in the Lease and the payments to be made thereunder, but the Trustee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in the Equipment or otherwise under this Agreement.

ARTICLE 14. INDEMNITIES AND WARRANTIES

14.1. Indemnification. The Trustee shall pay and shall protect, indemnify and hold harmless the Vendor, its successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all Indemnified Matters (as defined in § 12 of the Lease), except that the Trustee shall not be liable to the Builder in respect of any Indemnified Matter to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's warranties or patent indemnities referred to in Section 14.4 hereof. The Trustee shall be obligated under this Article 14, whether or not any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Trustee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Trustee may and, upon such Indemnified Person's request, will at the Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Trustee and approved by such Indemnified Person and, in the event of any failure by the Trustee to do so, the Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection

with such action, suit or proceeding. In the event the Trustee is required to make any payment under this Article 14, the Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Trustee agree to give each other written notice of any claim or liability hereby indemnified against promptly upon obtaining knowledge thereof. Upon the payment in full by the Trustee of any indemnity as contained in this Article 14, and provided that no event of default described in Section 16.1 hereof or other event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing, the Trustee shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from the Lessee as a result of any Indemnified Matter shall be paid over to the Trustee to the extent necessary to reimburse the Trustee for indemnification payments previously made by the Trustee in respect of such Indemnified Matter.

14.2. Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3. Trustee Not Released if Equipment Damaged or Lost. The Trustee will bear the responsibility for and risk of any damage to or destruction or loss of each unit of Equipment and shall not be released from its obligations hereunder in any such event.

14.4. Warranties and Patent Indemnities. The agreement of the parties relating to the Builder's warranties of material and workmanship and to patent indemnification are set forth in Items 3 and 4 of Annex A hereto. The patent indemnification agreements of the Builder shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner. NAC DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE EQUIPMENT OR AS TO THE QUALIFY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT DELIVERED TO THE TRUSTEE HEREUNDER, AND NAC DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF SUCH UNITS FOR ANY PARTICULAR PURPOSE, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT (EXCEPT AS PROVIDED IN SECTION 14.5 HEREOF), EITHER UPON DELIVERY THEREOF TO THE TRUSTEE OR OTHERWISE.

The Builder represents and warrants to NAC and the Trustee and their respective successors and assigns that at the time of delivery and acceptance of each unit of Equipment under this Agreement NAC will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

The Builder represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

14.5. Warranties of NAC. NAC represents and warrants to the Trustee that at the time of delivery and acceptance of each unit of Equipment under this Agreement the Trustee will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

NAC represents that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or, insofar as is known to it, any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

ARTICLE 15. ASSIGNMENTS

15.1. Assignment by Trustee. The Trustee will not transfer the right to possession of any unit of the Equipment (except to the Lessee pursuant to the Lease) or sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2. Assignment by Vendor. All or any of the rights, remedies, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to or relieve the Builder or NAC from any of the obligations of the Builder to construct and deliver the Equipment to NAC or of NAC to deliver the Equipment to the Trustee in accordance herewith or to respond to their respective warranties and indemnities referred to in Articles 2 and 14 hereof, or relieve the Trustee of its obligations to NAC or NAC of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15 or any other obligation which, according to its terms or context, is intended to survive an assignment.

15.3. Notice of Assignment by Vendor. Upon any such assignment pursuant to Section 15.2 hereof, either the assignor or the assignee shall give written notice to the Trustee and the Lessee, together with a copy of such assignment, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee

under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

15.4. No Setoff Against CSA Indebtedness. The Trustee recognizes that this Agreement will be assigned to the Agent as provided in the CSA Assignment. The Trustee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Agent to the entire unpaid CSA Indebtedness in respect of the Trustee's Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Trustee arising out of any breach of any obligation of the Builder or NAC with respect to the Equipment or the manufacture, construction, delivery or warranty thereof or with respect to any indemnity herein contained or arising by reason of any other indebtedness or liability at any time owing to the Trustee by the Builder or NAC. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee against and only against the Builder or NAC, as the case may be.

ARTICLE 16. DEFAULTS

16.1. Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness. In the event that any one or more of the following events of default shall occur and be continuing:

(a) the Trustee shall fail to pay or cause to be paid in full any sum payable by the Trustee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) and such default shall continue for 10 days after the date such payment is due and payable; or

(b) the Trustee or the Lessee shall, for more than 30 days after the Vendor shall have given notice in writing demanding performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provi-

sions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) or any covenant, agreement, term or provision of the CSA Assignment, the Lease, the Lease Assignment or the Participation Agreement made expressly for the benefit of the Vendor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under the Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees; or

(d) any other proceeding shall be commenced by or against the Trustee, the Owner or the Lessee for any relief which includes or might result in any modification of the obligations of the Trustee hereunder, the Owner under the Trust Agreement or the Lessee under the Lease under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee,

the Owner or the Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers; or

(e) any Event of Default under the Lease other than an event referred to in § 13.1(A) of the Lease (or an Event of Default under § 13.1(C) or (D) of the Lease relating to the Indemnity Agreement) shall have occurred and be continuing; or

(f) an Event of Default under § 13.1(A) of the Lease shall continue for more than 12 consecutive monthly rental payment dates or shall have occurred on more than 18 such dates during any 5 years;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) cause the term of the Lease immediately upon such notice to terminate (subject to § 15.2 of the Lease); provided, however, that such termination shall not be in derogation of or impair the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under § 13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Trustee or the Agent (under the assignment thereof), as the case may be, to sue for and recover damages provided for in § 13 of the Lease upon the occurrence of an Event of Default under the Lease, and/or (ii) declare ("Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire

unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee wherever situated, subject to the provisions of Articles 4 and 23 hereof. The Trustee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes, or with the giving of notice or lapse of time or both would constitute an event of default under this Agreement.

A copy of any notice given to the Trustee pursuant to this Section 16.1 shall also be given to the Lessee, but the failure to give any such notice shall not relieve the Lessee of any of its obligations under this Agreement or the Lease.

16.2. Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this Section, time is of the essence of this Agreement and no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17. REMEDIES

17.1. Vendor May Take Possession of Equipment. At any time during the continuance of a Declaration of Default and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, the Vendor may take or cause to be taken by its agent or agents immediate possession of the Equipment or one or more of the units thereof without liability to return to the Trustee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee, the Lessee or any other person and for such purpose may enter upon the premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any

available trackage and other facilities or means of the Trustee or the Lessee, subject to all mandatory requirements of due process of law.

17.2. Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment, the Trustee shall at its own expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place as directed by the Vendor.

During any storage period, the Trustee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and the Trustee acknowledges that upon application to any court of equity having competent jurisdiction the Vendor shall be entitled to a decree requiring specific performance hereof. The Trustee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of Equipment in any commercially reasonable manner.

17.3. Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Section 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor

shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Lessee or any other persons notified under the terms of this Section object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4. Vendor May Sell Equipment; Trustee's Right of Redemption. At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment or one or more of the units thereof free from any and all claims of the Trustee, the Lessee or any other party claiming from, through or under the Trustee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and

unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for and otherwise arranging for the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5. Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Trustee or the Lessee may bid for and become the purchaser of the Equipment or any unit thereof so offered for sale. The Trustee and the Lessee shall be given written notice of such sale not less than 10 days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Trustee to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee or the Lessee (except to the extent of surplus money received as provided in Section 17.7 hereof) and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6. Effect of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power

and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7. Deficiency or Surplus. If there shall remain any amount due to the Vendor under the provisions of this Agreement after applying all sums of money realized by the Vendor under the remedies herein provided, the Trustee shall pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Trustee (subject to the limitations set forth in Section 4.9 and Article 23 hereof). If there shall remain a surplus in the possession of the Vendor after applying as aforesaid all sums realized by the Vendor, such surplus shall be paid to the Trustee.

17.8. Expenses. The Trustee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

17.9. Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are sub-

ject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18. APPLICABLE STATE LAWS

18.1. Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall be ineffective as to such jurisdiction without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement, except such portion as relates to the sale of the Equipment by the Builder to NAC, shall be deemed to be a conditional sale and enforced as such.

18.2. Waiver of Notices. Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, including notice of intention to take possession of or to sell or lease the Equipment or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19. FILING

The Trustee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303; and the Trustee will from time to time perform any other act and will execute, acknowledge, deliver and file any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Trustee will promptly furnish to the Vendor certificates or other evidence of such filing satisfactory to the Vendor.

ARTICLE 20. REPRESENTATIONS AND WARRANTIES OF BUILDER AND NAC

The Builder hereby represents and warrants to NAC and the Trustee, and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by NAC and the Trustee, this Agreement is, insofar as the Builder is concerned, a legal, valid and binding instrument, enforceable against the Builder in accordance with its terms.

NAC hereby represents and warrants to the Builder and the Trustee and their successors and assigns that this Agreement has been duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by the Builder and the Trustee, this Agreement is, insofar as NAC is concerned, a legal, valid and binding instrument, enforceable against NAC in accordance with its terms. NAC agrees to perform its obligations under § 17 of the Lease.

ARTICLE 21. HEADINGS; MODIFICATION OF AGREEMENT

All article and section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

Except for the Participation Agreement and the Exhibits thereto, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Builder, NAC, the Vendor and the Trustee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Trustee and, if such variation or modification shall adversely affect their respective interests hereunder, the Builder and NAC. Any reference herein to this Agreement or any other agreement shall mean such agreement and all amendments and supplements hereto or thereto then in effect.

ARTICLE 22. NOTICES

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if deliv-

ered, telexed or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified address:

(a) to the Builder, at the address specified in Item 1 of Annex A hereto;

(b) to NAC, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President-Law;

(c) to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(d) to the Lessee at its address set forth in Paragraph 12 of the Participation Agreement;

(e) to the Agent, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department;

(f) to any assignee of the Vendor or of the Trustee, at such address as may have been furnished in writing to the Trustee or the Vendor, as the case may be, by such assignee;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23. IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1. No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise; all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2. Satisfaction of Certain Covenants. The obligations of the Trustee under Section 7.1 and under

Articles 6, 9, 10, 11, 13 (except as set forth in Section 13.3 thereof), 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects by the Lessee's execution and delivery of the Lease. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

23.3. No Personal Liability of Trustee. Each and all of the representations, warranties, agreements, covenants and undertakings herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner (except as provided in Section 13.3 hereof) on account of any representation, warranty or agreement herein of the Trustee (except as aforesaid or in the case of gross negligence or wilful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor making claim hereunder may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section 23.3 shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Trustee (provided that neither the Trustee in its fiduciary or individual capacity nor the Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Trustee or the Owner) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right

to proceed against the Equipment or the Lessee under the Lease.

The Trustee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights, if any, arising out of the filing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof may be filed or in which any unit of Equipment shall be located and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25. EXECUTION

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

PULLMAN INCORPORATED
(Pullman Standard Division),

[Corporate Seal]

by

Attest:

Vice President-Freight Unit

Assistant Secretary

NORTH AMERICAN CAR CORPORATION,

[Corporate Seal]

by _____

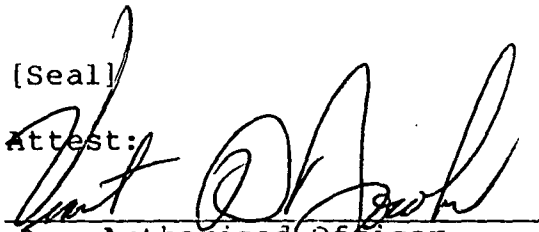
Attest:

Secretary

EXCHANGE NATIONAL BANK OF
CHICAGO, not in its individual
capacity but solely as Trustee
under a Trust Agreement dated
as of the date hereof with The
First National Bank of Kansas
City,

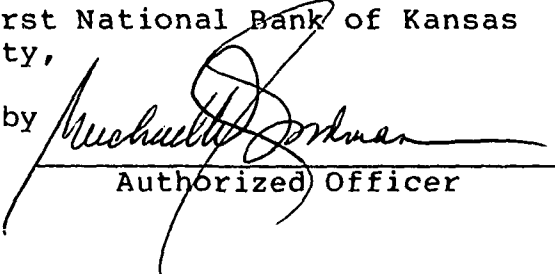
[Seal]

Attest:



Authorized Officer

by



Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the Vice President-Freight Unit of PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared to me personally known, who, being by me duly sworn, says that he is of NORTH AMERICAN CAR CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this 29 day of September 1980, before me personally appeared **MICHAEL D. GOODMAN**, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Frederic M. Stouck
 Notary Public

[Notarial Seal]

My Commission expires

My Commission Expires December 14, 1983

SCHEDULE I

ALLOCATION SCHEDULE OF EACH \$1,000,000 OF CSA
INDEBTEDNESS PAYABLE IN (i) ONE INTERIM PAYMENT
OF INTEREST ONLY AND (ii) 180 MONTHLY
INSTALLMENTS OF PRINCIPAL AND INTEREST

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
(Interim Period)	*	*	-0-	\$1,000,000.00
1	8,541.67	8,541.67	.00	1,000,000.00
2	8,541.67	8,541.67	.00	1,000,000.00
3	8,541.67	8,541.67	.00	1,000,000.00
4	8,541.67	8,541.67	.00	1,000,000.00
5	8,541.67	8,541.67	.00	1,000,000.00
6	8,541.67	8,541.67	.00	1,000,000.00
7	9,978.40	8,541.67	1,436.73	998,563.27
8	9,978.40	8,529.39	1,449.01	997,114.26
9	9,978.40	8,517.02	1,461.38	995,652.88
10	9,978.40	8,504.54	1,473.86	994,179.02
11	9,978.40	8,491.95	1,486.45	992,692.57
12	9,978.40	8,479.25	1,499.15	991,193.42
13	9,978.40	8,466.44	1,511.96	989,681.46
14	9,978.40	8,453.53	1,524.87	988,156.59
15	11,517.39	8,440.50	3,076.89	985,079.70
16	11,517.39	8,414.22	3,103.17	981,976.53
17	11,517.39	8,387.72	3,129.67	978,846.86
18	11,517.39	8,360.98	3,156.41	975,690.45
19	11,517.39	8,334.02	3,183.37	972,507.08
20	11,517.39	8,306.83	3,210.56	969,296.52
21	11,517.39	8,279.41	3,237.98	966,058.54
22	11,517.39	8,251.75	3,265.64	962,792.90
23	11,517.39	8,223.86	3,293.53	959,499.37
24	11,517.39	8,195.72	3,321.67	956,177.70
25	11,517.39	8,167.35	3,350.04	952,827.66
26	11,517.39	8,138.74	3,378.65	949,449.01
27	11,517.39	8,109.88	3,407.51	946,041.50
28	11,517.39	8,080.77	3,436.62	942,604.88
29	11,517.39	8,051.42	3,465.97	939,136.91
30	11,517.39	8,021.81	3,495.58	935,643.33

* Interest accrued during period elapsed between the Closing Date (as defined in the Participation Agreement) and the Interim Payment Date.

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
31	11,517.39	7,991.95	3,525.44	932,117.89
32	11,517.39	7,961.84	3,555.55	928,562.34
33	11,517.39	7,931.47	3,565.92	924,996.42
34	11,517.39	7,900.84	3,616.55	921,359.87
35	11,517.39	7,869.95	3,647.44	917,712.43
36	11,517.39	7,838.79	3,678.60	914,033.83
37	11,517.39	7,807.37	3,710.02	910,323.81
38	11,517.39	7,775.68	3,741.71	906,582.10
39	11,517.39	7,743.72	3,773.67	902,808.43
40	11,517.39	7,711.49	3,805.90	899,002.53
41	11,517.39	7,678.98	3,838.41	895,164.12
42	11,517.39	7,646.19	3,871.20	891,292.92
43	11,517.39	7,613.13	3,904.26	887,388.66
44	11,517.39	7,579.75	3,937.61	883,451.05
45	11,517.39	7,546.14	3,971.25	879,479.80
46	11,517.39	7,512.22	4,005.17	875,474.63
47	11,517.39	7,478.01	4,039.38	871,435.25
48	11,517.39	7,443.51	4,073.88	867,361.37
49	11,517.39	7,408.71	4,108.68	863,252.69
50	11,517.39	7,373.62	4,143.77	859,108.92
51	11,517.39	7,338.22	4,179.17	854,929.75
52	11,517.39	7,302.52	4,214.87	850,714.86
53	11,517.39	7,266.52	4,250.87	846,464.01
54	11,517.39	7,230.21	4,287.18	842,176.83
55	11,517.39	7,193.79	4,323.60	837,853.23
56	11,517.39	7,156.66	4,360.73	833,492.30
57	11,517.39	7,119.41	4,397.98	829,094.32
58	11,517.39	7,081.85	4,435.54	824,658.78
59	11,517.39	7,043.96	4,473.43	820,185.35
60	11,517.39	7,005.75	4,511.64	815,673.71
61	11,517.39	6,967.21	4,550.16	811,123.53
62	11,517.39	6,928.35	4,589.04	806,534.49
63	11,517.39	6,889.15	4,628.24	801,906.25
64	11,517.39	6,849.62	4,667.77	797,238.48
65	11,517.39	6,809.75	4,707.64	792,530.84
66	11,517.39	6,769.53	4,747.86	787,782.98
67	11,517.39	6,728.98	4,788.41	782,994.57
68	11,517.39	6,688.08	4,829.31	778,165.26
69	11,517.39	6,646.83	4,870.56	773,294.70
70	11,517.39	6,605.23	4,912.16	768,382.54
71	11,517.39	6,563.27	4,954.12	763,428.42

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
72	11,517.39	6,520.95	4,996.44	758,431.98
73	11,517.39	6,478.27	5,039.12	753,392.86
74	11,517.39	6,435.23	5,082.16	748,310.70
75	11,517.39	6,391.82	5,125.57	743,185.13
76	11,517.39	6,348.04	5,169.35	738,015.78
77	11,517.39	6,303.88	5,213.51	732,802.27
78	11,517.39	6,259.35	5,258.04	727,544.23
79	11,517.39	6,214.44	5,302.95	722,241.28
80	11,517.39	6,169.14	5,348.25	716,893.03
81	11,517.39	6,123.46	5,393.93	711,499.10
82	11,517.39	6,077.39	5,440.00	706,059.10
83	11,517.39	6,030.92	5,486.47	700,572.63
84	11,517.39	5,984.06	5,533.33	695,039.30
85	11,517.39	5,936.79	5,580.60	689,458.70
86	11,517.39	5,889.13	5,628.26	683,830.44
87	11,517.39	5,841.05	5,676.34	678,154.10
88	11,517.39	5,792.57	5,724.82	672,429.28
89	11,517.39	5,743.67	5,773.72	666,655.56
90	11,517.39	5,694.35	5,823.04	660,832.52
91	11,517.39	5,644.61	5,872.78	654,959.74
92	11,517.39	5,594.45	5,922.94	649,036.80
93	11,517.39	5,543.86	5,973.53	643,063.27
94	11,517.39	5,492.83	6,024.56	637,038.71
95	11,517.39	5,441.37	6,076.02	630,962.69
96	11,517.39	5,389.47	6,127.92	624,834.77
97	11,517.39	5,337.13	6,180.26	618,654.51
98	11,517.39	5,284.34	6,233.05	612,421.46
99	11,517.39	5,231.10	6,286.29	606,135.17
100	11,517.39	5,177.40	6,339.99	599,795.18
101	11,517.39	5,123.25	6,394.14	593,401.04
102	11,517.39	5,068.63	6,445.76	586,955.28
103	11,517.39	5,013.55	6,503.84	580,451.44
104	11,517.39	4,958.00	6,559.39	573,892.05
105	11,517.39	4,901.97	6,615.42	567,273.63
106	11,517.39	4,845.46	6,671.93	560,601.70
107	9,623.77	4,788.47	4,835.30	555,766.40
108	9,623.77	4,747.17	4,876.60	550,889.80
109	9,623.77	4,705.52	4,918.25	545,271.55
110	9,623.77	4,663.51	4,960.26	541,011.29
111	9,623.77	4,621.14	5,002.63	536,005.66
112	9,623.77	4,578.41	5,045.36	530,963.30
113	9,623.77	4,535.31	5,088.46	525,874.84
114	9,623.77	4,491.65	5,131.92	520,742.92
115	9,623.77	4,448.01	5,175.76	515,567.16

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
116	9,623.77	4,403.80	5,219.97	510,347.19
117	9,623.77	4,359.22	5,264.55	505,082.64
118	9,623.77	4,314.25	5,309.52	499,773.12
119	9,623.77	4,268.90	5,354.87	494,418.25
120	9,623.77	4,223.16	5,400.61	489,017.64
121	9,623.77	4,177.03	5,446.74	483,570.90
122	9,623.77	4,130.50	5,493.27	478,077.63
123	9,623.77	4,083.58	5,540.19	472,537.44
124	9,623.77	4,036.26	5,587.51	466,949.93
125	9,623.77	3,988.53	5,635.24	461,314.69
126	9,623.77	3,940.40	5,683.37	455,631.32
127	9,623.77	3,891.85	5,731.92	449,899.40
128	9,623.77	3,842.89	5,780.88	444,118.52
129	9,623.77	3,793.51	5,830.26	438,288.26
130	9,623.77	3,743.71	5,880.06	432,408.20
131	9,623.77	3,693.49	5,930.28	426,477.92
132	9,623.77	3,642.83	5,980.94	420,496.98
133	9,623.77	3,591.75	6,032.02	414,464.96
134	9,623.77	3,540.22	6,083.55	408,381.41
135	9,623.77	3,488.26	6,135.51	402,245.90
136	9,623.77	3,435.85	6,187.92	396,057.98
137	9,623.77	3,383.00	6,240.77	389,817.21
138	9,623.77	3,329.69	6,294.08	383,523.13
139	9,623.77	3,275.93	6,347.84	377,175.29
140	9,623.77	3,221.71	6,402.06	370,773.23
141	9,623.77	3,167.02	6,456.75	364,316.48
142	9,623.77	3,111.87	6,511.90	357,804.58
143	9,623.77	3,056.25	6,567.52	351,237.06
144	9,623.77	3,000.15	6,623.62	344,613.44
145	9,623.77	2,943.57	6,680.20	337,933.24
146	9,623.77	2,886.51	6,737.26	331,195.98
147	9,623.77	2,828.97	6,794.80	324,401.18
148	9,623.77	2,770.93	6,852.84	317,548.34
149	9,623.77	2,712.39	6,911.38	310,636.96
150	9,623.77	2,653.36	6,970.41	303,666.55
151	11,517.39	2,593.82	8,923.57	294,742.98
152	11,517.39	2,517.60	8,999.79	285,743.19
153	11,517.39	2,440.72	9,076.67	276,666.52
154	11,517.39	2,363.19	9,154.20	267,512.32
155	11,517.39	2,285.00	9,232.39	258,279.93

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Remaining Principal Balance</u>
156	11,517.39	2,206.14	9,311.25	248,968.68
157	11,517.39	2,126.61	9,390.78	239,577.90
158	11,517.39	2,046.39	9,471.00	230,106.90
159	11,517.39	1,965.50	9,551.89	220,555.01
160	11,517.39	1,883.91	9,633.48	210,921.53
161	11,517.39	1,801.62	9,715.77	201,205.76
162	11,517.39	1,718.63	9,798.76	191,407.00
163	11,517.39	1,634.93	9,882.46	181,524.54
164	11,517.39	1,550.52	9,966.87	171,557.67
165	11,517.39	1,465.39	10,052.00	161,505.67
166	11,517.39	1,379.53	10,137.86	151,367.81
167	11,517.39	1,292.93	10,224.46	141,143.35
168	11,517.39	1,205.60	10,311.79	130,831.56
169	11,517.39	1,117.52	10,399.87	120,431.69
170	11,517.39	1,028.69	10,488.70	109,942.99
171	11,517.39	939.10	10,578.29	99,364.70
172	11,517.39	848.74	10,668.65	88,696.05
173	11,517.39	757.61	10,759.78	77,936.27
174	11,517.39	665.71	10,851.68	67,084.59
175	11,517.39	573.01	10,944.38	56,140.21
176	11,517.39	479.53	11,037.86	45,102.35
177	11,517.39	385.25	11,132.14	33,970.21
178	11,517.39	290.16	11,227.23	22,742.98
179	11,517.39	194.26	11,323.13	11,419.85
180	11,517.39	97.54	11,419.85	-.00
	1,959,644.68	959,644.68	1,000,000.00	

ANNEX A
TO
CONDITIONAL SALE AGREEMENT

Information Relating to Building of Equipment

- Item 1: PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation, having its address at 200 South Michigan Avenue, Chicago, Illinois 60604, attention of Vice President-Freight Unit.
- Item 2: The Equipment shall be settled for in no more than one Group of units of Equipment delivered to and accepted by NAC and the Trustee unless a greater number shall be agreed to by the parties hereto.
- Item 3: The Builder warrants to NAC, the Trustee, the Owner and the Lessee that the Equipment will be built in accordance with the Specifications and the standards and requirements set forth in Article 2 of this Agreement and warrants that the Equipment will be free from defects in material (except as to items or specialties incorporated therein and workmanship with respect thereto specified by the Lessee and not manufactured by the Builder) and workmanship under normal use and service. The Builder's obligation under this Item 3 is limited to making good at its plant any part or parts of any unit of the Equipment which shall within one year after the delivery of such unit to the Lessee be returned to the Builder with transportation charges prepaid and which the Builder's examination shall disclose to its satisfaction to have been defective; provided, however, that this warranty will be subject to the following limitations: (i) warranty coverage on unit running gear and contact points to unit structure is restricted to one year or 25,000 miles, whichever first occurs; and (ii) normal use and service is deemed to require inspection, adjustment, maintenance, and compliance with the Builder's written instructions and any applicable Federal, state or local laws or regulations. The foregoing warranty of the Builder is expressly in lieu of all other warranties to NAC, the Trustee, the Owner and the Lessee, express or implied, including any implied warranty of merchantability or fitness for a particular

purpose, except for its obligations or liabilities to NAC and the Trustee under Articles 2, 3, 4 and 14 of this Agreement and Item 4 below, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment. In no event shall the Builder be liable for special or consequential damages.

Builder further agrees that neither any inspection as provided in Article 3 of the CSA, nor any examination nor the acceptance of any unit of Equipment as provided in such Article 3, shall be deemed a waiver or modification of any of the rights under this Item 3.


- Item 4: Except in case of designs, processes or combinations specified by the Lessee and not developed or purported to be developed by the Builder and articles and materials specified by the Lessee and not manufactured by the Builder, the Builder agrees to indemnify, protect and hold harmless NAC, the Trustee, the Owner and the Lessee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC, the Trustee, the Owner and the Lessee because of the use in or about the construction or operation of the Equipment or any unit hereof of any design, process, combination, article or material infringing or claimed to infringe on any patent or other right. The Lessee, as a condition to its being a third party beneficiary hereof, will indemnify, protect and hold harmless the Builder from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Builder because of the use in or about the construction or operation of the Equipment or any unit thereof of any design, process or combination specified by the Lessee and not developed or purported to be developed by the Builder or article or material specified by the Lessee and not manufactured by the Builder, which infringes or is claimed to infringe on any patent or other right. The Builder hereby transfers and assigns to the Lessee every claim, right and cause of action, to the extent legally

possible without impairing any claim, right or cause of action which the Builder has or hereafter shall have against the originator or seller or sellers of any design, process, combination, article or material specified by the Lessee and used by the Builder in or about the construction or operation of the Equipment or any unit thereof on the ground that any such design, process, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right, and the Builder further agrees to execute and deliver to the Lessee every such further assurance as may be reasonably requested by it to more fully effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Lessee, as a condition to its being a third party beneficiary hereof, will give notice to the Builder of any claim known to the Lessee on the basis of which liability may be charged against the Builder hereunder.

- Item 5: The Maximum Purchase Price referred to in Article 4 of this Agreement is \$7,011,400.50.
- Item 6: The Maximum Conditional Sale Indebtedness referred to in Article 4 of this Agreement is \$4,837,866.34.

ANNEX B
TO
CONDITIONAL SALE AGREEMENT

Units of Railroad Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
 100-ton, 4,820 4,750 cubic- foot 3 hopper, gravity load/unload covered hopper grain cars	LO	1147	Butler, Pa.	150	SAMX 3100- 3249	\$46,742.67	\$7,011,400.50	September- October, 1980 at or near Butler, Pa.

ANNEX C
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

LEASE OF RAILROAD EQUIPMENT

Dated as of September 1, 1980

Between

SEABOARD ALLIED MILLING CORPORATION,
Lessee,

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
The First National Bank of Kansas City,
Trustee.

[Covering 150 Covered Hopper Cars]

The rights and interests of the Lessor under this
Lease are subject to a security interest in favor
of LaSalle National Bank, as Agent for certain
institutional investors. The original of this
Lease is held by said Agent.

LEASE OF RAILROAD EQUIPMENT

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* This Table of Contents has been included for convenience only and does not form a part of this document.

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LEASE OF RAILROAD EQUIPMENT dated as of September 1, 1980, between SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY, a national banking association ("Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) ("Builder") and NORTH AMERICAN CAR CORPORATION ("NAC") pursuant to which the Builder has agreed to manufacture, sell and deliver to NAC and NAC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Appendix A hereto (such units as are actually delivered to and accepted by the Trustee pursuant to the terms hereof and of the CSA, herein called the "Units").

NAC is assigning certain of its interests in the CSA pursuant to an Agreement and Assignment dated the date hereof ("CSA Assignment") to LA SALLE NATIONAL BANK, acting as agent ("Agent") for certain Institutional Investors ("Investors") under a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investors.

The Lessee desires to lease the Units from the Trustee at the rentals and upon the terms and conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof ("Lease Assignment") and the Lessee will acknowledge and consent thereto pursuant to a Consent and Agreement substantially in the form attached to the Lease Assignment ("Consent").

In consideration of the rentals to be paid and the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. NET LEASE

This Lease is a net lease. Each of the Lessee's

obligations to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee or the Owner under this Lease or the CSA, including the Lessee's rights by subrogation thereunder to NAC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Trustee, the Owner or the Agent for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. Each delivery of a Unit to the Trustee under the CSA shall be deemed to be a delivery hereunder to the Lessee at

the point or points within the United States at which such Unit is so delivered to the Trustee. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Trustee under the CSA and on behalf of itself hereunder and execute and deliver to the Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, one interim rental payment on the Interim Payment Date (as defined in the CSA), and 180 consecutive monthly payments payable, in arrears, on the first date of each month (each such date a "Rental Payment Date"), commencing on the first day of the month next succeeding the Interim Payment Date. In respect of each Unit subject to this Lease, (a) the interim rental payment shall be in an amount equal to the product of the Trustee Purchase Price (as defined in Section 4.1 of the CSA) for each such Unit subject to this Lease multiplied by .02847% for each day elapsed from and including the Closing Date (as defined in Section 4.2 of the CSA) for such Unit to but not including Interim Payment Date, and (b) the 180 monthly rental payments shall each be in an amount equal to 0.79470% multiplied by the Trustee's Purchase Price of each such Unit.

Anything in the foregoing provisions of this § 3.1 to the contrary notwithstanding, it is agreed that the aggregate of the rentals payable pursuant to this § 3.1 on each Rental Payment Date shall in no event be less than the principal and interest payment due on each such date pursuant to Article 4 of the CSA.

3.2. Payment on Nonbusiness Day. If any Rental Payment Date referred to in § 3.1 hereof is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term

"business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Kansas City, Missouri, or New York, New York, are authorized or obligated to remain closed.

3.3. Instructions To Pay Agent and Trustee. Upon execution and delivery of the Lease Assignment and until the Agent shall have advised the Lessee in writing that all sums due from the Trustee under the CSA have been fully satisfied and discharged, the Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease (except indemnities or other payments payable to the Trustee in its individual capacity or the Owner which shall be paid directly to the Trustee or the Owner, as the case may be) to the Agent, for the account of the Trustee, in care of the Agent, with instructions to the Agent at LaSalle National Bank, 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Division (or at such other address as may be furnished in writing to the Lessee by the Agent) with a notation that payment is for credit to Seaboard Allied Milling Corporation Lease Financing Trust Account No. 61-5576-50-1 on behalf of Seaboard Allied Milling Corporation (a) first to apply such payments to satisfy the obligations of the Trustee under the CSA known to the Agent to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Trustee or to the order of the Trustee in immediately available funds at such place as the Trustee shall specify in writing. If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Agent in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied, the rentals due hereunder and any payments with respect to a Casualty Occurrence thereafter due pursuant to § 7 hereof shall be made to the Trustee in immediately available funds in the manner provided in § 3.4 hereof.

3.4. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for in § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made.

§ 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The

term of this Lease as to each Unit shall begin on the date of delivery and acceptance thereof pursuant to § 2 hereof and, subject to the provisions of §§ 7, 13 and 16 hereof, terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3.1 hereof. The obligations of the Lessee hereunder (including without limitation the obligations under §§ 6, 7, 10, 11, 12 and 17 hereof) shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of Lessee Subject to CSA. Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination) without affecting the indemnities which by the provisions of this Lease survive the termination of its term; provided, however, that, so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and Lessee shall be entitled to the rights of possession, use and assignment under § 15 hereof.

§ 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identification number set forth in Appendix A hereto or, in the case of any Unit not there listed, such number as shall be set forth in any supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and the

Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. GENERAL TAX INDEMNIFICATION

The Lessee assumes responsibility for and agrees to pay, protect, save, keep harmless and indemnify the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in Section 1.02 of the Trust Agreement dated as of the date hereof between the Owner and the Trustee) and their respective successors, assigns, agents and servants ("Indemnified Persons") against all license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings and other governmental charges of any nature whatsoever, including without limitation penalties, additions to tax and interest (all such license and registration fees, taxes, assessments, levies, imposts, duties, fees, withholdings, governmental charges, penalties, additions to tax, and interest called "Taxes"), imposed on, incurred by or asserted against any Indemnified Person or any Unit in whole or in part thereof by any Federal, state, local or foreign government or taxing authority upon or with respect to a Unit or any part thereof on account of or with respect to this Lease or the CSA or the Participation Agreement or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture, construction, purchase, shipment, installation, acceptance or rejection of the Units or any portion thereof or the ownership, delivery, nondelivery, leasing, re-leasing, subleasing, possession, use, transfer of title, operation, maintenance, repair, condition, sale, return or other disposition of the Units or any portion thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom or the interest of the Owner in

the Trust Estate and under the Trust Agreement; provided, however, that there shall be no indemnification hereunder (i) for any Taxes imposed on or measured by any fees or compensation received by the Trustee or the Agent, or (ii) any Taxes payable solely as a result of the wilful misconduct or gross negligence of the Indemnified Person, or (iii) for any Federal taxes measured by the net income of the Indemnified Person, or (iv) for any state and local taxes measured by the net income of the Indemnified Person, and franchise and value added taxes which are in lieu of such net income taxes, but not excluding any such taxes to the extent they do not actually reduce such Taxes payable by the Owner to the state in which it has its principal place of business. The Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Person to the extent required by this § 6 within 30 days after receipt of a written request by such Indemnified Person for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question; provided, however, that if any Taxes are being contested in accordance with the sixth paragraph of this § 6, any payment shall be made at the time therein provided.

In the event that the Trustee shall become obligated to make any payment to the Builder, NAC or the Agent or otherwise pursuant to any corresponding provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Trustee as will enable the Trustee to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Taxes, other than with respect to Federal, state or local income tax on or any tax to the extent measured in whole or in part by any fees or compensation paid to the Trustee or the Agent, are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units; provided, however, that the Trustee shall, with respect to any state of the United States or political subdivision thereof, file such returns, statements and reports as shall be prepared by the Lessee relating to sales or use taxes and taxes, fees and charges on or measured by the Trustee's earnings or gross receipts arising from the Units or the value added by the Trustee thereto as the

Lessee shall determine are required to be filed, and the Trustee shall remit the amount thereof upon payment by the Lessee to the Trustee (such payment to be made promptly upon charges except as provided above. To the extent that the Trustee has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Trustee hereby authorizes the Lessee to act in the name of the Trustee and on its behalf; provided, however, that the Lessee shall indemnify and hold the Trustee harmless (in both its individual and fiduciary capacities) from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of or incident to any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances or furnish other evidence satisfactory to the Trustee of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit its compliance with the requirements of taxing jurisdictions.

If any taxing authority shall assert liability for any Taxes or propose an increase in the liability of any Indemnified Person for any such Taxes (such assertion or proposed increase being herein called a "Claim"), indemnification for which would be required under this § 6, the Indemnified Person will give written notice to the Lessee within a reasonable time of such Claim. If the Lessee delivers to such Indemnified Person written notice of its desire to contest such Claim within 30 days after receipt of notice from such Indemnified Person, such Claim will be contested in accordance with this paragraph, except to the extent such Claim represents amounts payable to the Agent under Article 6 of the CSA. The Trustee will permit the Lessee to contest such claims under Article 6 of the CSA in accordance with the rights of the Trustee thereunder. The Indemnified Person shall have the exclusive right to conduct the contest unless such is waived in writing, in which event the contest and all preparations therefor shall be the sole responsibility of the Lessee and, in either case, shall be conducted

entirely at its expense. In the event that independent counsel is retained by the Owner to contest such claim, such counsel shall be satisfactory to the Lessee. Such Indemnified Person will cooperate with any reasonable request made by the Lessee in connection therewith; provided, however, that such Indemnified Person may in its sole discretion determine in what court or other forum such contest will be conducted and whether such contest will proceed by (a) resisting payment thereof, if practicable, (b) not paying the same except under protest, if protest is necessary and proper, or (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, and such Indemnified Person shall not be required to take any action pursuant to this paragraph unless and until (x) the Lessee shall have agreed to indemnify such Indemnified Person in a manner satisfactory to such Indemnified Person for any liability or loss which such Indemnified Person may incur as a result of contesting the validity of any Claim and shall have agreed to pay such Indemnified Person on demand all costs and expenses which such Indemnified Person may incur in connection with contesting such Claim (including, without limitation, indemnification for all costs, expenses, legal and accounting fees, disbursements, penalties, additions to tax and interest), and (y) such Indemnified Person shall have determined that the action to be taken will not result in the sale, forfeiture, or loss of, or the creation of any lien, encumbrance or security interest (other than any which the Lessee is not obligated to remove under § 15.2) on any Unit. If in any such contest the decision is made to pay the Taxes and sue for a refund, the Lessee will advance to such Indemnified Person on an interest-free basis sufficient funds to pay the Taxes which are to be contested. Upon receipt by any Indemnified Person of a refund of any Taxes paid by the Lessee pursuant to this paragraph, the amount of such refund and any interest paid to such Indemnified Person with respect thereto shall be paid to the Lessee forthwith upon receipt by such Indemnified Person.

The Lessee agrees to pay all amounts due under this § 6 free of any Taxes and to indemnify each Indemnified Person against any Taxes imposed by reason of any payment made by the Lessee so that the Indemnified Person to whom or for whose benefit the payment is made shall receive an amount which, net of any Taxes or other charges required to be paid by such Indemnified Person in respect thereof, shall be equal to the amount of payment otherwise required hereunder.

If and to the extent that the imposition of any

penalties and interest for which indemnification is required under this § 6 is due to the failure of an Indemnified Person to give prompt notice of a claim to the Lessee, the Lessee shall not be required to indemnify such Indemnified Person for such penalties and interest.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES AND INSURANCE

7.1. Definition of Casualty Occurrence; Payments.

In the event that any Unit shall be or become lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever during the term of this Lease or any renewal term hereof or until such Unit is returned pursuant to § 14 or 17 hereof, or NAC's Purchase Price of any Unit shall have been refunded by the Builder pursuant to the terms of the patent indemnity therefore or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease or during any renewal term hereof or the Lessee shall have failed to make any improvement, alteration, replacement, modification or addition of or to any part of any Unit required by the Applicable Laws (as defined in § 10.1) which is not permitted by the first proviso in § 10.1 (each such occurrence being herein called a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the Interim Payment Date or on the next succeeding Rental Payment Date (or in the event that the term of this Lease has expired or will expire within 30 days after such notice, on a date within 30 days of such notice) ("Casualty Payment Date"), the Lessee shall pay to the Trustee a sum equal to the Casualty Value (as defined in § 7.5 hereof) of any such Unit as of such Casualty Payment Date, plus the rental in respect of such Unit accrued as of such Casualty Payment Date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to Builder of such Unit) the Trustee shall be entitled to recover possession of such Unit.

penalties and interest for which indemnification is required under this § 6 is due to the failure of an Indemnified Person to give prompt notice of a claim to the Lessee, the Lessee shall not be required to indemnify such Indemnified Person for such penalties and interest.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

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In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the term of this Lease, in which event the Lessee shall promptly and fully notify the Trustee with respect thereto and pay the Trustee, as the Casualty Value therefor, an amount equal to 28.590% of the Trustee's Purchase Price of such Unit. Following such payment, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value and any balance of such payments shall be the property of the Trustee. In the event such Unit shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then at the option of the Trustee (A) the Lessee shall dispose of such Unit as agent for the Trustee, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value, and the balance of such proceeds shall be promptly paid to the Trustee or (B) the Trustee may elect to hold or lease such Unit, but shall pay to the Lessee from the net proceeds from any subsequent lease or sale of such Unit an amount equal to the Casualty Value for such Unit, less any condemnation payments theretofore received by the Lessee with respect thereto. In the event such Unit shall be returned by the governmental entity following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Trustee in the manner provided in § 17 hereof.

In the case of a Casualty Occurrence, except as otherwise provided in the preceding paragraph, any payments received at any time by the Lessee from any governmental authority or other party as the result of such Casualty Occurrence shall be promptly paid to the Trustee for application pursuant to the first paragraph of this § 7.1 and all such payments and any other payments received at any time by the Trustee from any governmental authority or other party (other than insurance proceeds covered by § 7.7 and other than proceeds of any insurance which the Trustee shall have

maintained at its own expense in addition to the insurance required to be maintained by the Lessee pursuant to § 7.1) as the result of such Casualty Occurrence shall be applied as follows:

(i) so much of such payments as shall not exceed the payments of Casualty Value made in accordance with the terms hereof shall be applied in reduction of the Lessee's obligation to pay such Casualty Value to the extent not already paid by the Lessee, or, if already paid by the Lessee, shall be applied to reimburse the Lessee for its payment of such Casualty Value, unless a Default or an Event of Default shall have occurred and be continuing, in which case such amount shall be retained by the Trustee and shall be paid over to the Lessee when such Default or Event of Default shall cease to be continuing unless this Lease shall theretofore be declared in default; and

(ii) the balance, if any, of such payments remaining thereafter shall be paid to the Trustee.

7.2. Requisition by United States Government. In the event of the requisition for use by the United States Government of any Unit for a period which does not exceed the term of this Lease or for an indefinite period (except where deemed a Casualty Occurrence pursuant to the second paragraph of § 7.1 hereof), all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Trustee or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.3. Lessee Agent for Disposal. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after expiration of the Lease at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, and unless an Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Trustee.

7.4. Payments After Expiration of Lease. No

rental for any Unit shall accrue after the end of the term of this Lease or, if renewed, any renewal term thereof in respect of such Unit, notwithstanding the payment by the Lessee of a Casualty Value in respect of such Unit in accordance with § 7.1 hereof after the end of such term.

7.5. Amount of Casualty Value. The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall mean the sum of (A) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage set forth opposite such Casualty Payment Date in Table 1 of Appendix B hereto and (B) an amount equal to the Trustee's Purchase Price of such Unit multiplied by the percentage, if any, specified for the period during which the Casualty Occurrence occurs in Table 2 of Appendix B hereto; but in no event shall such amount be less than the Casualty Value (as defined in § 7.3 of the CSA) as of such Casualty Payment Date.

7.6. No Release. Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence and shall bear the risk of any Casualty Occurrence to any Unit from and after acceptance thereof by the Lessee hereunder.

7.7. Insurance To Be Maintained. (1) The Lessee (i) will at all times prior to the return of the Units to the Trustee and during the period during which such Units shall be stored at the cost and expense of the Lessee, at its own expense, cause to be carried and maintained public liability insurance for all claims for personal injury, death and property damage and (ii) cause to be carried and maintained property insurance covering loss or damage in respect of the Units at the time subject hereto of not less than the amount of the Casualty Value. Subject to the terms and conditions expressly set forth herein the Lessee will carry such insurance in such amounts, for such risks, with such deductibles and with such insurance companies of recognized responsibility (not affiliated with the Lessee and classified Class X or greater by Best's Insurance Reports, or equivalent thereto) as the Lessee deems prudent and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units and in any event consistent with prudent industry practice for corporations of established reputation; provided, however, that the Lessee will in any event carry public liability coverage in respect of the Units in an amount of not less than \$20,000,000 with a

deductible of not in excess of \$5,000,000 throughout the term of this Lease. The proceeds of any such insurance shall be payable to the Agent, the Owner, the Trustee and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to the Trustee, the Owner and (so long as there is no Event of Default hereunder) the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Trustee, the Owner and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds as their respective interests may appear, (iii) waive any right to claim any premiums or commissions against the Owner, the Trustee and the Agent, (iv) require that each property damage policy provide that all losses in excess of \$5,000 be adjusted by the Trustee and the Lessee jointly and to be paid directly to the Trustee and (v) shall expressly provide that all of the provisions thereof, except the limits of liability thereunder (which limits shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Lessee), shall operate in the same manner as if there were a separate policy covering each insured. Such policies shall provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee and the Agent, respectively), shall not give any insurer any right of subrogation or recovery against any of them, and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof. Nothing in this Lease shall restrict the right of the Owner or the Trustee to obtain or carry, and the Lessee shall not carry any insurance which would prevent the Owner or the Trustee from obtaining or carrying, at its

own cost and expense, separate property damage insurance in excess of the amount required to be carried by the Lessee pursuant to this § 7 or to retain for its own benefit the proceeds or payments with respect to such insurance.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall upon demand reimburse the Trustee for the cost thereof, together with interest thereon at the rate per annum specified in § 19 hereof.

7.8. Insurance Proceeds and Condemnation Payments.

If the Trustee shall receive (directly or from the Agent) any insurance proceeds or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Trustee shall pay the same to the Lessee up to an amount equal to the Casualty Value with respect to any Unit theretofore paid by the Lessee and any balance shall remain the property of the Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value and accrued rentals in respect of such Units to the Trustee. All insurance proceeds received by the Trustee (directly or from the Agent) in respect of any Unit not suffering a Casualty Occurrence and for which the Lessee has paid premiums shall be paid to the Lessee upon proof satisfactory to the Trustee that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. REPORTS

On or before March 31 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Trustee and the Agent an accurate statement stating (a) as at the preceding December 31 the total number, description and identification numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (b) that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof have been preserved or replaced and (c) that the Lessee is

in compliance under this Lease and has performed or has caused to be performed the required maintenance of the Units and that there is no Event of Default or no event has occurred which with notice or lapse of time or both would constitute an Event of Default. The Trustee, the Agent and the Owner shall each have the right by their agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as they may request during the continuance of this Lease.

§ 9. DISCLAIMER OF WARRANTIES

THE TRUSTEE DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE UNITS OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Trustee and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against the Builder under the provisions of Items 2 and 3 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units.

The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against the Trustee or the Agent based on any of the foregoing matters.

§ 10. LAWS AND RULES

10.1. Compliance. The Lessee agrees, for the benefit of the Trustee and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all statutes, laws, rules, codes, orders, regulations and ordinances of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation, maintenance or use of the Units (all such laws and rules to such extent being herein called "Applicable Laws"), and in the event that the Applicable Laws require any alteration, replacement, improvement, modification or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, the Lessee is permitted to make any improvement, alteration, modification, replacement or addition to any Unit that is not readily removable without causing material damage to the Unit only if and to the extent such improvement, alteration, modification, replacement, or addition is made (i) in order to comply with the health, safety or environmental standards of any Government or governmental authority having relevant jurisdiction over the Unit or (ii) pursuant to the prior written consent of the Trustee, and provided further, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA.

10.2. Reports by Trustee. The Lessee agrees to prepare and deliver to the Trustee and the Agent within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority

by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 11. MAINTENANCE

11.1. Units in Good Operating Order. The Lessee, at its own cost and expense, will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition for use in grain service, ordinary wear and tear from noncorrosive use excepted, and eligible for interchange in accordance with the Applicable Laws and in the same condition as other similar equipment owned or leased by the Lessee. The Lessee shall comply with such operating or repair standards and periodic maintenance inspections as are required to enforce warranty claims against the Builder or which are otherwise established by the Builder as normal operation and maintenance procedures for the Units.

11.2. Additions and Accessions. (1) Except as set forth in §§ 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units as are readily removable without causing material damage to the Units (and do not adversely and materially affect the value of the Units) which shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with § 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit, whether or not installed were added to such Unit in contravention of § 11.2(1) hereof, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit in railroad interchange by any Applicable Law, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the CSA) shall immediately be vested in the Trustee and the Agent as their respective interests may appear in the Unit.

§ 12. INDEMNIFICATION

12.1. Indemnified Persons. The Lessee shall pay, and shall protect, indemnify and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent, the Trust Estate (as defined in the Trust Agreement) and their respective successors, assigns, agents and servants ("Indemnified Persons"), from and against any and all actions, causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person including any or all liabilities, losses, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the counsel fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA, the Participation Agreement, or any agreement contemplated hereby or thereby or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent and other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Persons) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, ordinance or restriction affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement; (all of such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 12.1, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified

Matter by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 12.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation counsel fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to pay any indemnification under this § 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or any state or of any political subdivision thereof or any state or local taxing authority (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Trustee each agree to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 12, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified Person) in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter after reduction for any Federal, state or local taxes payable with respect to such payments shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made; provided that such Indemnified Person shall have been at such time fully indemnified by such payments. Nothing in this § 12.1 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

12.2. Indemnification of NAC and the Builder.

The Lessee agrees to indemnify, protect and hold harmless NAC and the Builder as third-party beneficiaries hereof

from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NAC or the Builder because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by the Builder or NAC or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder or NAC which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to NAC or the Builder of any claim known to the Lessee from which liability may be charged against it hereunder.

12.3. Survival. The indemnities contained in this § 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to delivery of the Units in the manner provided by § 17 after the storage period provided therein or, if any Event of Default shall exist, prior to any sale or lease of the Units to a third person and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 12 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§ 13. DEFAULT

13.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal thereof, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 16 hereof, and such default shall continue for 10 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any interest herein or of the right to possession of any Unit or shall fail to carry and maintain insurance on or with respect to the Units required by § 7.7 hereof;

(C) default shall be made in the performance of any other covenant, condition or agreement on the part of the Lessee contained herein, in the Participation

Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement) and such default shall continue for 30 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that it be remedied;

(D) any representation or warranty made by the Lessee herein or in the Participation Agreement or in any certificate or statement furnished to the Trustee or the Owner pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of making thereof;

(E) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed pursuant to a court order or decree by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees;

(F) any other proceeding shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency law or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced pursuant to a

court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceeding in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers;

(G) any obligation of the Lessee for the payment of borrowed money the aggregate outstanding principal amount of which is in excess of \$100,000 (with respect to either principal or interest), or, for the deferred purchase price of property costing, in the aggregate, over \$100,000 or for the payment of rent or hire under any lease or leases of land, easements, machinery, equipment or other facilities having a term of more than one year and aggregate minimum annual rentals thereunder in excess of \$100,000, shall not be paid when the same becomes due (after taking into account any grace periods), or the Lessee shall default in the performance of any other term, agreement or condition contained in any agreement or instrument to which the Lessee is a party relating to any such obligation for borrowed money of the Lessee or relating to any such obligations of the Lessee for the deferred purchase price of property or the payment of rent or hire under any lease or leases, if, in any such case, the effect of such failure to pay or default is to cause or permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity; or

(H) final judgment for the payment of money, which together with other outstanding final judgments for the payment of money exceed an aggregate of \$50,000, shall be rendered against the Lessee and the same shall remain undischarged and shall not be effectively bonded or stayed for a cumulative period of 45 days thereafter;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and sell at public or private sale, or otherwise dispose of, hold, keep idle, operate or lease to others, as the Trustee in its sole discretion may determine, all or any such Units free from any right of the Lessee to use the Units for any purposes whatever; provided, however, that if the Trustee elects to sell such Units it shall provide 10 days' notice to the Lessee of such sale and such sale shall be conducted in a commercially reasonable manner; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as liquidated damages for loss of the bargain and not as a penalty whichever of the following amounts that the Trustee, in its sole discretion shall specify, (i) a sum with respect to each Unit which represents (x) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in each case on the basis of a 10.25% per annum discount, compounded monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated or, if such Unit is sold, the net proceeds of the sale plus (y) any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (ii) an amount equal to the excess, if any,

of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the sales value of such Unit at such time or over the amount which is the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period, such present value to be computed in such case on the basis of a 10.25% per annum discount, computed monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated plus, in each case, any damages and expenses, including reasonable counsel fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale in lieu of the payment required by clause (ii) above.

13.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.3. Notice of Event of Default. The Lessee agrees to furnish written notice to the Trustee, the Owner and the Agent promptly upon any responsible officer becoming

aware of any condition which constitutes an Event of Default under this Lease or which after notice or lapse of time or both would constitute such an Event of Default, specifying such condition and the nature and status thereof. A "responsible officer" shall mean any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of the subject matter of the particular covenant, agreement or obligation of the Lessee contained in this Lease and the requirements of this Lease with respect thereto.

13.4. Costs and Expenses, etc. In addition, the Lessee shall be liable, except as otherwise expressly provided in § 13.1, for any and all unpaid rent and other payments due hereunder or under any of its Documents before, during or after the exercise of any of the foregoing remedies and for any legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, or the enforcement of any of the provisions hereof, including all costs and expenses incurred in connection with the return of the Units in accordance with § 14.1 or in placing the Units in the condition required by § 14.1.

§ 14. RETURN OF UNITS UPON DEFAULT

14.1. Return of Units. If this Lease shall terminate pursuant to § 13 hereof or Article 16 of the CSA, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, and shall have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 11 hereof, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been inter-

changed or which may have possession thereof to return the Unit or Units) and place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported to any reasonable place as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as provided above shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in the manner set forth in § 11.1 hereof and insured in the manner required by § 7.7 and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee.

In the event any Unit is not assembled, delivered and stored as provided above within 30 days after such termination, the Lessee shall in addition pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which the percentage of the Purchase Price of such Unit for each such day (obtained by dividing the basic lease rate as set forth in § 3.1 hereof for each monthly payment for such Unit by 30) exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this Section.

14.2. Trustee Appointed Agent of Lessee. The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit.

§ 15. ASSIGNMENT, POSSESSION AND USE

15.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee. The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment.

15.2. Lessee's Rights To Use the Units. (1) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments as defined in the Lease Assignment in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the CSA. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and the Agent, except as provided in paragraph (2) of this § 15.2; and the Lessee shall not part with the possession or control of or allow to pass out of its possession or control any of the Units without the prior written consent of the Trustee and the Agent, except to the extent permitted by the provisions of said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Agent or resulting from claims against the Trustee or the Agent not related to the ownership of the Units, upon or with respect to any Unit or the interest of the Trustee, the Agent or the Lessee therein; and will promptly discharge any such lien, claim, security interest or other encumbrance which arises. The Lessee shall use the Units primarily in grain or other noncorrosive service in the continental United States.

(2) So long as no Event of Default exists hereunder and no event of default exists under the CSA (subject to the provisions of subsection (1) of § 15.2 hereof), the Lessee shall be entitled to the possession and use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all

the terms and conditions of this Lease and the CSA; provided, however, that the Lessee shall not permit the assignment, sublease or use of any Unit in Mexico or in any other place predominantly outside the United States within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee assign or sublease to or permit the sublease or use of the Units by any person in whose hands such Units would not qualify as "section 38 property" within the meaning of said Code; provided further that the Lessee shall not assign, sublease or otherwise transfer, whether by operation of law or otherwise, any Unit without the prior written consent of the Trustee and Agent, except that no such consent shall be required (a) for any sublease under which the subtenant is at the time of execution and delivery of such sublease a corporation with an equipment trust certificate or bond credit rating of "A" or better or its equivalent as rated by either Moody's Investors Services, Inc., or Standard and Poors Corporation, (b) for any sublease with a term of 180 days or less or (c) for any sublease to a wholly owned subsidiary of the Lessee. Any consent given by the Trustee and the Agent to any assignment, sublease or other transfer shall apply only to the specific transaction thereby authorized. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Agent under the CSA Assignment and the Trustee under this Lease in respect of the Units covered by such sublease and shall not release the Lessee from its obligations hereunder.

15.3. Merger, Acquisition or Consolidation.

Nothing in this § 15 shall be deemed to restrict the right of the Lessee to assign its leasehold interest under this Lease or possession of the Units to any corporation incorporated under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety and which shall have duly assumed the obligations of the Lessee hereunder, provided that such assignee will not, upon the effectiveness thereof, be in default under any provision of this Lease.

§ 16. RENEWAL OPTION

16.1. Renewal for Successive Period. Prior to or simultaneous with the execution and delivery of this Lease,

the Trustee will enter into an agreement ("Option Agreement") with Tiger Financial Services, Inc. ("TFS"), pursuant to which the Trustee will grant to TFS the option to lease (subject to the rights of the Lessee to sublease provided hereafter), all but not fewer than all of the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option Agreement and acceptable to the Trustee. All obligations of TFS with respect to such lease shall be unconditionally guaranteed by Tiger Leasing Group (TLG). No option may be exercised if at the time of exercise any event described in paragraph 13.1(E) or 13.1(F) shall have occurred and be continuing with respect to TFS or TLG. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Trustee (or, if TFS's option is exercised, to TFS) not less than 180 days nor more than 270 days prior to the end of the original term of this Lease elect to extend such original term of this Lease (or if TFS's option is exercised, to sublease the Units), upon substantially all the terms and conditions hereof (other than the payment of rent), in respect of all but not less than all the Units then covered by this Lease for a period of five years commencing on the scheduled expiration of such original term of this Lease, at a Fair Market Rental (as defined in § 16.2 hereof) payable, in arrears, in monthly payments on the day such rentals were payable for the Units during the original term in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be determined by mutual consent of the Trustee and the Lessee, failing which, such Casualty Value shall be determined in the manner set forth for the determination of Fair Market Rental in § 16.2(2) hereof.

16.2. Determination of Fair Market Rental. (1) The Fair Market Rental for the extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, after 50 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Trustee and the Lessee are unable to agree

upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 days after such notice is given, each party shall appoint an independent appraiser within 15 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 45 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If 3 appraisers shall be appointed, the determination of the appraiser which differs most from the other 2 appraisers shall be excluded, the remaining 2 determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

§ 17. RETURN OF UNITS

As soon as practicable on or after the expiration of the original or any extended term of this Lease with respect to any Unit, and in any event not later than 30 days thereafter, the Lessee will, at its own cost and expense, deliver possession of such Unit to the Trustee upon such storage tracks as the Trustee may reasonably designate with NAC's consent or, in the

absence of such designation, as NAC may select, and NAC will permit the Trustee to store such Unit, at NAC's expense, on such tracks for a period not exceeding 45 days. The Lessee shall transport the same upon disposition of the Units, at any time within such 45-day period, to any reasonable place or to any connecting carrier for shipment, all as directed by the Trustee, the movement of such Units shall be at the expense and risk of the Lessee and the storage shall be at the risk of the Lessee. The Trustee shall give 90 days prior notice to NAC of its intent to store the Equipment. During any such storage period the Lessee and NAC will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to or the death of any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee and as if the same had been used entirely in noncorrosive service, ordinary wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and have removed therefrom any such device not so considered an accession. During any such storage period the Lessee shall maintain and insure the Units in such manner as the Lessee normally maintains and insures similar units of railroad equipment owned or leased by it in similar storage circumstances, but in any event in compliance with §§ 7.7, 10 and 11 hereof. All amounts earned with respect to the Units after the date of expiration of the Lease shall belong to the Trustee and, if received by the Lessee, shall promptly be turned over to the Trustee. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. In the event any Unit is not assembled, delivered, stored and transported as provided above upon termination of this Lease, the Lessee shall pay to the Trustee the amount set forth in § 14.1 hereof.

§ 18. FILING

The Lessee, at its own expense, will cause this Lease, the CSA, the CSA Assignment and the Lease Assignment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, and will undertake the filing required of the Trustee under the CSA. The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the Units or for the purpose of carrying out the intention of this Lease, the CSA, the CSA Assignment and the Lease Assignment; and the Lessee will promptly furnish to the Agent and the Trustee evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Agent and the Trustee.

§ 19. INTEREST ON OVERDUE RENTALS

The Lessee shall promptly pay, to the extent legally enforceable, an amount equal to interest at 11.25% per annum on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 20. TRUSTEE'S RIGHT TO PERFORM FOR LESSEE

If the Lessee fails to perform any of its agreements contained herein, the Trustee may upon notice to the Lessee perform such agreement, and the amount of the reasonable cost and expenses of the Trustee incurred in connection with such performance, together with interest on such amount at 11.25% per annum, shall be payable by the Lessee upon demand, except as otherwise provided in this Lease. No such performance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee or any assignee of the Trustee against the Lessee hereunder.

§ 21. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been

given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessee, at P.O. Box 19148, Kansas City, Missouri 64141, attention of General Traffic Manager, with copies to Widett, Slater & Goldman, P.C., 60 State Street, Boston, Massachusetts 02109, attention of Marshall Tutun, Esq.;

(b) if to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Michael A. Goodman, Vice President, with copies to the Owner at 10th and Baltimore Streets, Kansas City, Missouri 64183, attention of Neil T. Douthat, Vice President;

or addressed to any party at such other address as such party shall hereafter furnish to any other party in writing.

§ 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

§ 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Indemnity Agreement, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Trustee and the Lessee.

§ 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto other than the Owner, the Agent, the Investors, NAC, the Builder and the permitted successors and assigns of such parties, and this instrument

shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid.

§ 25. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original and all other counterparts shall be deemed duplicates hereof. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 26. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 27. IMMUNITIES; NO RECOURSE

27.1. No recourse shall be had in respect of any obligation due under this Lease or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

27.2. Each and all of the representations, warranties, agreements, undertakings and covenants herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, undertakings and covenants by said institution or for the purpose or with the intention of binding said institution personally but are made

and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as Trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

§ 28. AGREEMENTS FOR BENEFIT OF OWNER
AND TRUSTEE'S ASSIGNS

All rights of the Trustee hereunder (including but not limited to its rights under §§ 6, 7, 9, 12, 13, 14 and 17 and the right to receive the rentals and other amounts payable under this Lease but excluding any amounts of indemnity payable to the Trustee in its individual capacity) shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Trustee's assigns (including the Agent).

Whenever the term Trustee is used in this Lease, it shall apply to the Trustee and any assignee of the Trustee (including the Agent so long as any CSA Indebtedness under the CSA or interest thereon shall remain unpaid or any other obligation thereunder be continuing).

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

SEABOARD ALLIED MILLING
CORPORATION,

[Corporate Seal]

by _____

Attest:

Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

STATE OF _____,)
) ss.:
COUNTY OF _____,)

On this day of September 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

[Notarial Seal]

My Commission expires

Notary Public

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared
to me personally known, who, being by me duly sworn, says
that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF
CHICAGO, a national banking association, that one of the
seals affixed to the foregoing instrument is the seal of said
national banking association, that said instrument was signed
and sealed on behalf of said national banking association by
authority of its Board of Directors and he acknowledged that
the execution of the foregoing instrument was the free act
and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX A TO LEASE

Units of Railroad Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
100-ton, 4,820 cubic foot 3 hopper, gravity load/unload covered hop- per grain cars	LO	1147	Butler, Pa.	150	SAMX 3100- 3249	\$46,742.67	\$7,011,400.50	Sept.-Oct. 1980 at or near Butler, Pa.

APPENDIX B TO LEASE

Casualty ValuesTable 1

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
Interim Payment	106.4618		
1	106.4618	33	109.6067
2	106.9061	34	109.5496
3	106.9499	35	109.4924
4	109.5390	36	109.2355
5	109.7690	37	102.7311
6	109.9864	38	102.6564
7	109.4784	39	102.5728
8	109.6614	40	103.3802
9	108.7471	41	103.2858
10	108.8819	42	103.1866
11	109.0172	43	102.8670
12	108.6317	44	102.7484
13	108.7446	45	102.0857
14	108.8578	46	101.9426
15	108.9233	47	101.7985
16	110.6474	48	101.4925
17	110.7387	49	101.3324
18	110.8252	50	101.1711
19	110.4429	51	101.0017
20	110.5064	52	101.2816
21	109.7273	53	101.1017
22	109.7605	54	100.9168
23	109.7944	55	100.6633
24	109.4796	56	100.4610
25	109.4954	57	99.8910
26	109.5118	58	99.6670
27	109.5187	59	99.4413
28	110.5834	60	99.1693
29	110.5793	61	92.4989
30	110.5705	62	92.2566
31	110.2894	63	92.0069
32	110.2595	64	92.1597

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
65	91.8998	103	71.1479
66	91.6351	104	70.6953
67	91.3112	105	70.1315
68	91.0311	106	69.6711
69	90.4193	107	69.2068
70	90.1208	108	68.7397
71	89.8198	109	68.2696
72	89.4771	110	67.7967
73	89.1631	111	67.3209
74	88.8465	112	66.8795
75	88.5232	113	66.3978
76	88.3830	114	65.9130
77	88.0504	115	65.4252
78	87.7129	116	64.9344
79	87.3680	117	64.4030
80	87.0175	118	63.9060
81	86.4701	119	63.4058
82	86.1046	120	62.9025
83	85.7359	121	62.3960
84	85.5618	122	61.8864
85	78.5519	123	61.3734
86	78.1689	124	60.8572
87	77.7803	125	60.3377
88	77.5850	126	59.8149
89	77.1874	127	59.2887
90	76.7860	128	58.7592
91	76.3807	129	58.2263
92	75.9721	130	57.6899
93	75.3610	131	57.1500
94	74.9433	132	56.6067
95	74.5261	133	56.0598
96	74.1032	134	55.5094
97	73.6768	135	54.9554
98	73.2467	136	54.3977
99	72.8129	137	53.8365
100	72.4828	138	53.2715
101	72.0416	139	52.7029
102	71.5967	140	52.1305

* As defined in Section 4.1 of the CSA.

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price*</u>
141	51.5543
142	50.9743
143	50.3905
144	49.8042
145	49.2128
146	48.6173
147	48.0214
148	47.4225
149	46.8170
150	46.2081
151	45.6020
152	44.9976
153	44.3978
154	43.8028
155	43.2027
156	42.6046
157	42.0086
158	41.4076
159	40.8087
160	40.2121
161	39.6105
162	39.0075
163	38.4104
164	37.8159
165	37.2276
166	36.6456
167	36.0589
168	35.4751
169	34.8945
170	34.3091
171	33.7270
172	33.1481
173	32.5647
174	31.9804
175	31.4037
176	30.8306
177	30.2654
178	29.7082
179	29.1465
180	28.5909 and thereafter

* As defined in Section 4.1 of the CSA.

Table 2

<u>Period</u>	<u>Percentage of Trustee's Purchase Price</u>
From the date the Unit is placed in Service within the meaning of section 46 of the Internal Revenue Code of 1954, as amended ("Placed in Service"), to and including the anniversary in 1983 of the Date the Unit is Placed in Service.	19.2901%
From the anniversary of the date the Unit is Placed in Service in 1983 to and including such anniversary date in 1985.	12.8601
From the anniversary of the date the Unit is Placed in Service in 1985 to and including such anniversary date in 1987.	6.4300

ANNEX D
to
Conditional Sale Agreement

[CS&M Ref. 4876-012]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of September 1, 1980

Between

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof
with The First National Bank of Kansas City,

and

LA SALLE NATIONAL BANK,
as Agent.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of September 1, 1980 ("Lease Assignment"), between EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE FIRST NATIONAL BANK OF KANSAS CITY ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (Pullman Standard Division) and North American Car Corporation ("NAC") providing for the sale to NAC by the Builder and the conditional sale to the Trustee by NAC of the units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Trustee thereunder.

SEABOARD ALLIED MILLING CORPORATION ("Lessee") and the Trustee have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

The Trustee proposes to assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Trustee under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Trustee hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Trustee under the CSA, all the Trustee's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Trustee in its individual capacity or to the Owner), including without limitation the immediate right to receive and collect all rentals, profits and other sums payable to the Trustee by the Lessee pursuant to the provisions of the Lease, whether as rent,

casualty payment, indemnity, liquidated damages or otherwise (such moneys being herein called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to take any other action which the Trustee is or may become entitled to take under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Trustee or as its attorney to demand, sue for and collect any and all Payments to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSA and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee at such address as may be specified to the Agent in writing, and such balance shall be retained by the Trustee. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Trustee at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Trustee shall not affect the obligations of the Trustee hereunder or under the CSA.

2. This Lease Assignment is executed only as security and, therefore, the execution and delivery of this Lease Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Trustee under the Lease. Notwithstanding this Lease Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against the Trustee or persons other than the Agent.

3. The Trustee will faithfully perform each obligation, covenant and agreement which the Lease provides

is to be performed by the Trustee and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, modification or termination of the Lease without the Agent's consent shall be void.

4. The Trustee hereby constitutes the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee or otherwise), to demand and receive all Payments due and to become due under or arising out of the Lease to which the Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Trustee under the CSA, this Lease Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Trustee. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Trustee, in its individual capacity, will pay and discharge all claims, liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Trustee or its successors and assigns (other than the Agent) and, to the extent it receives funds sufficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns not arising out of the interest in the Equipment, the administration of the Trust Estate, the transactions contemplated by the CSA or the Lease (but, to the extent it receives funds for such purpose from the Owner, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) which if unpaid

might become a claim, lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Trustee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent, adversely affect the interest of the Agent hereunder.

7. The Trustee will from time to time execute, acknowledge and deliver any and all further instruments reasonably requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Lease Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Agent.

11. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Trustee to the Agent by this Lease Assignment, except the right to receive and apply the Payments as provided in Section 1 hereof, and the Trustee may exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges or remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent; provided, however, that notwithstanding the existence of an event of default (as defined in the CSA) the Agent shall not amend or supplement the Lease without the consent of the Trustee if the effect thereof is to reduce the obligations of the Lessee to the Trustee or the Owner under the Lease.

12. Each and all of the representations, warranties, agreements, covenants and undertakings in this Lease Assignment made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, agreements, covenants and undertakings by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Lease Assignment is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, agreement, covenant or undertaking herein of the Trustee (except as provided in Paragraph 6 hereof), either expressed or implied (except for wilful misconduct or gross negligence), all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent making claim hereunder may look to said Trust Estate for satisfaction of the same.

13. This Lease Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Lease Assignment is dated the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of the date
hereof with The First National
Bank of Kansas City,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

LA SALLE NATIONAL BANK,
as Agent,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

STATE OF ILLINOIS,)
COUNTY OF COOK,) ss.:

On this day of September 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of September 1980, before me personally appeared ,
to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

SEABOARD ALLIED MILLING CORPORATION, a Delaware corporation ("Lessee"), the lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease directly to La Salle National Bank, as agent ("Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, to the attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Agent);

(2) the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Trustee; and the Agent shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(3) the Lease shall not, without the prior written consent of the Agent, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

Dated as of September 1, 1980

SEABOARD ALLIED MILLING
CORPORATION,

by

[Corporate Seal]

Attest:

Secretary